FINANCIAL HISTORY

The magazine of the Museum of American Finance

"For the Love of Money: Blacks on US Currency" Exhibit Opens

Museum Honors Joe Ricketts and Lawrence H. Summers at 2017 Gala

Spies, Abolitionists and the Origins of Credit Rating Agencies

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FINANCIAL HISTORY

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MUSEUM OF AMERICAN FINANCE

Smithsonian Affiliate

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ON THE COVER

Images from the Museum's new exhibit, "For the Love of Money: Blacks on US Currency," on loan from the Museum of UnCut Funk. See articles, pages 6 and 20.

Highlights from the 2017 Gala

Message to Members

David J. Cowen | President and CEO

The Museum always shines its brightest on Gala night, and this year was no exception. On February 1, 450 guests came to the Museum for a cocktail reception before moving across the street for dinner at Cipriani Wall Street.

The focus of the evening was our two honorees: Joe Ricketts, who received the Charles Schwab Financial Innovation Award; and Larry Summers, who received the Whitehead Award for Distinguished Public Service and Financial Leadership. Fred Tomczyk, former president/CEO of TD Ameritrade, introduced Joe; and Ray Dalio, founder and co-chief investment officer of Bridgewater Associates, introduced Larry. Charles Schwab made remarks about the Financial Innovation Award, which is named in his honor. All five speakers stressed the importance of the Museum and its core mission of preserving, exhibiting and teaching about the nation's finances and financial history. *[See their remarks on page 12.]*

The trustees had a strong showing, and in attendance were Chairman Richard Sylla, Vice Chair Andrea de Cholnoky, Alvi Abuaf, Greg Bauer, Sandy Crystal, Martha Clark Goss, Marcy Cohen, Charles Elson, Al Hurley, Adam Goldstein, Bob Hotz, Myron Kandel, Glenn Kaufman, Consuelo Mack, Marge Magner, Verne Sedlacek, Karen Seitz, Mark Shenkman, Kevin Shine, David Shuler, Maria Smith, Ewout Steenbergen and Charles Wait, as well as Founder and Chairman *Emeritus* John Herzog.

To the credit of our board and staff, with particular thanks to our Director of Development Jeanne Driscoll, we raised over $1.25 million. This number represents an all-time high and something to be very proud of. However, our dedicated fundraising efforts continue — and your support is most welcome — as we turn our attention to the Museum's vision for the future.

In my prepared remarks for the evening, I shared the following anecdote:

What is it like to be a Museum president? Sure, I receive my share of compliments, but I also get the occasional complaint. I want to share a complaint I received last summer from Louise Kaye, age seven. She writes, "Why did you display a check of Aaron Burr in the Hamilton Room? Don't display anything of Aaron Burr. Burr killed Hamilton and most people like me who love Hamilton don't like thinking about Aaron Burr." I responded, "Dear Louise, Hamilton is also one of my heroes, but we cannot re-write history, and Burr is a part of the larger story. However, enclosed please find a Hamilton bobble head from the Museum Shop to comfort you."

I then turned to our vision for the future, which is a new state-of-the-art museum based on three distinct exhibit subject areas: public finance, private finance and personal finance. "Public" is our government's fiscal situation; "private" is businesses, exchanges and the entrepreneurial spirit that built our county; and "personal" is how money and finance affect each one of us in our lives. Integrated into each of these three exhibit spaces are the four overriding themes of budgeting, risk, investment and credit, for whether you are the United States government or an average citizen, you deal with those identical issues.

Finance is a technology that moves money forward and backward through time — think of a 401k moving money forward for your retirement, or a mortgage for your first house moving it backward. And, of course, as we explain why finance matters, one of the key components of this area will be explaining the original architect of the financial system, Alexander Hamilton, for it is his economic vision of finance-led growth that we have lived and prospered under.

Therefore, by the time visitors leave the Museum, they will understand how finance can empower them and how they can make better financial decisions that positively impact the rest of their lives.

I look forward to working with the staff, board and funders to realize this dream. $

Elsa Ruiz

David Cowen (center) with Charles Schwab and Joe Ricketts at the Museum's 2017 Gala.

MAR 16 1999 The Dow Jones Industrial Average tops 10,000 for the first time.

MAR 19 1720 Shares in the South Sea Company take off on the sharpest upswing the British stock market has ever seen. By year-end, the shares will be nearly worthless.

Photos: Elsa Ruiz

1. More than 450 people attended the annual Museum Gala on February 1, which began with cocktails in the Museum's exhibit hall. **2.** Ray Dalio, founder and co-chief investment officer of Bridgewater Associates, introduced Lawrence Summers. **3.** Charles Schwab spoke about the Financial Innovation Award, named in his honor. **4.** Joe Ricketts delivered remarks prior to receiving the 2017 Charles Schwab Financial Innovation Award. **5.** The Ricketts family, pictured at the cocktail reception, turned out to support Gala honoree Joe Ricketts. **6.** L to R: Museum President David Cowen, Whitehead Award recipient Lawrence Summers, Ray Dalio and Museum Chairman Richard Sylla.

MAR 19 1992 America Online goes public on the Nasdaq at the original price of $11.50.

MAR 21 1924 Edward G. Leffler founds The Massachusetts Investors Trust, the first open-end mutual fund.

New Exhibits Include "Out of the Vault" and "For the Love of Money"

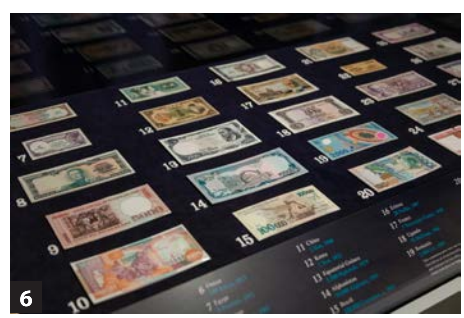
In January, the Museum unveiled the first of its 2017 exhibits, entitled "Out of the Vault." The exhibit features highlights from the Museum's permanent collection, many of which have never been publicly displayed. Highlights include financial documents bearing the signatures of US Presidents, from John Quincy Adams to John F. Kennedy. Another case features dozens of colorful international currencies, issued between 1932 and 2011. There are also several examples from the Museum's extensive collection of Lucite "deal toys" representing some of the largest public offerings of the last three decades.

In February, in honor of Black History Month, the Museum opened a traveling exhibit on loan from the Museum of UnCut Funk entitled "For the Love of Money: Blacks on US Currency" [*see related article, page 20*]. The exhibit features more than 40 examples of Black men and women depicted on US commemorative coins, medals and medallions. The objects span from 19th century anti-slavery tokens through the Presidential Bronze Medals issued in January 2017 on Barack Obama's last day in office. This is the first time a complete collection of these coins has been on public view.

In remarks delivered at the press conference to open the exhibit on February 22, Loreen Williamson, co-curator of the Museum of UnCut Funk, said the coins in the exhibit serve to accurately present and archive the Black experience in the United States. "These objects are tangible. They're permanent. And through this exhibition, they're accessible," she said.

Maura Ferguson, director of exhibits at the Museum of American Finance, remarked, "As we discuss our national values and how to best represent them, we wanted to bring to our visitors these objects and stories as a representation of both Black history and American history."

"For the Love of Money" will be on view through January 2018. For more information, visit www.moaf.org/fortheloveofmoney. $



Photos: Alan Barnett

1. Pamela Thomas and Loreen Williamson, co-curators of the Museum of UnCut Funk, with the Museum of American Finance's curatorial team of Maura Ferguson and Sarah Poole. **2.** Cases from "For the Love of Money" featuring 18th and 19th century anti-slavery tokens and some of the nation's earliest coins depicting famous Black Americans. **3.** Press conference attendees were among the first viewers of the "For the Love of Money" exhibit. **4.** A large case in "Out of the Vault" features deal toys from significant IPOs. **5.** Financial documents signed by US Presidents include this 1894 certificate of indebtedness signed by William McKinley. **6.** International currencies featured in "Out of the Vault."

MAR 22 1811

The "Act Relative to Incorporations for Manufacturing Purposes," the world's first law granting limited liability to common stockholders, is passed by the New York state legislature.

Museum Addresses the Impact of Fintech on Retail Banking with "21st Century Banking: Bridging the Digital Divide"

By Mindy Ross, Director of External Relations

On February 9, the Museum hosted a program addressing major transformations challenging retail financial services and reshaping the customers' relationship with their money and their banks. The program was sponsored by Ally Financial and FIS/Capco, with the reception sponsored by Protiviti.

In his opening remarks, Museum President David Cowen highlighted some of the dynamic and critical forces reshaping traditional banking products and services. He noted the dramatic growth of digital channels for basic customer services and the very rapid migration of customers from human interactions to digital alternatives. He also indicated that the evening's program would offer insight into how the industry was bridging the digital divide with both traditional and non-traditional financial services companies moving into the fintech arena.

The program began with a fireside chat featuring Ally Financial Chief Information Officer Michael Baresich interviewed by Cheddar Founder and CEO Jon Steinberg. Their conversation focused on the build, buy and partner alternatives available to banks to help them compete with fintech companies and products. They also addressed the transformative role of data analysis and robots in delivering differentiated, personalized services.

A panel discussion followed, including leaders representing different segments of the industry — from artificial intelligence and data analysis, to consulting and service delivery, to incubation and funding of fintech companies. Steinberg moderated the panel, which featured Tariq Bokhari, Head of Innovation and Investment at FIS; Maria Gotsch, President and CEO of the Partnership Fund for NYC; and David Sosna, Co-Founder and CEO of Personetics.

The panelists explored the future of traditional bank branches and the disruptive role of artificial intelligence and "bots" in service delivery. They also focused on the disintermediation of traditional banking services by third parties in payment systems, credit analysis and investment services. In closing, the panel addressed future challenges to banking services — from demographics to technology -- including the increasing importance of millennials and the emergence of the blockchain in payment services.

Closing remarks were given by Capco Managing Partner Guido Tamburini, who further highlighted the transformative role of fintech companies and the potential for further disintermediation in some of the most profitable banking segments. He predicted investment in fintech will continue to grow as the focus moves further up the value chain.

The video of this event is now available on the Museum's YouTube channel (www.youtube.com/FinanceMuseum). The next event in this series will feature noted professor, scholar and author Aswath Damodaran on his new book, *Narrative and Numbers: The Value of Stories in Business,* on April 12. $

Participants (from left): Maria Gotsch, Tariq Bokhari, Michael Baresich, Jon Steinberg, Guido Tamburini, David Cowen and David Sosna.

Jon Steinberg (left) interviews Michael Baresich in a fireside chat.

Photos: Elsa Ruiz

Panelists (from left) David Sosna, Jon Steinberg (*moderator*), Maria Gotsch and Tariq Bohkari listen to closing remarks by Guido Tamburini.

MAR 25 1966 The Visa card is born, as Bank of America executive Kenneth Larkin drafts a memo proposing that Bankamericard should expand outside of California and offer credit card services to merchants and retail customers nationwide.

MAR 28 1985 Ronald Reagan becomes the first sitting US President to visit the NYSE floor.

MUSEUM OF AMERICAN FINANCE 2016–2017 DONORS ($1,000 AND ABOVE)

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► For more information about supporting the Museum, please contact Jeanne Baker Driscoll at (212) 908-4694 or jdriscoll@moaf.org.

**Listings in bold reflect Benefactor level donors.*

APR 15 1912

After striking an iceberg around midnight, the *Titanic* sinks to the bottom of the North Atlantic. Making a cold calculation about the uninsured value of the vessel, the stock market crunches $2.6 million off the total capitalization of International Mercantile Marine Co., the doomed ocean liner's owner.

The Mazer Collection Features Documents Signed by Hundreds of Historical Figures

By Sarah Poole, Collections Manager

In December, Morton and Connie Mazer donated to the Museum their collection of more than 200 stock and bond certificates, checks and other financial documents. While the size of the collection is impressive in its own right, even more significant is that each document is signed by an important historical figure. The signatories include US Presidents, entertainers, inventors, entrepreneurs and activists who have shaped American and world history. Highlighted here are two of my favorite documents from this collection:

The Proprietors of the Woman's Journal Stock Certificate Issued to Alice Stone Blackwell and Signed by Julia Ward Howe, 1891

Julia Ward Howe was a poet and author who is best known for writing the lyrics to "The Battle Hymn of the Republic" in 1861, in support of the Union cause during the Civil War. Howe took advantage of the song's popularity and used her notoriety for social activism, particularly focusing on pacifism and women's suffrage. She was one of the editors of the *Woman's Journal*, founded in 1870 by Lucy Stone Blackwell and her husband Henry Browne Blackwell.

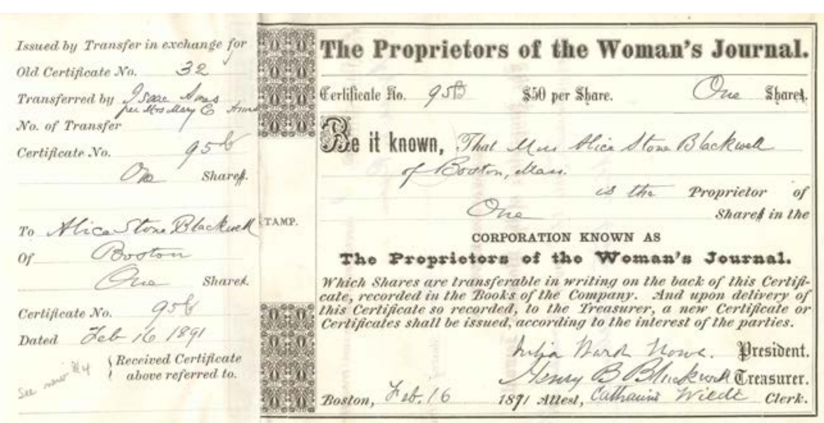
Howe was serving as the magazine's president when she signed this certificate. The Blackwells' daughter, Alice Stone Blackwell, to whom the certificate is issued, began working for the *Woman's Journal* in 1883 and took over as editor after her mother's death in 1893. Alice Stone Blackwell became a prominent reformer in the American women's suffrage movement, working alongside Susan B. Anthony and Elizabeth Cady Stanton. Her signature is also included on the reverse of the certificate.

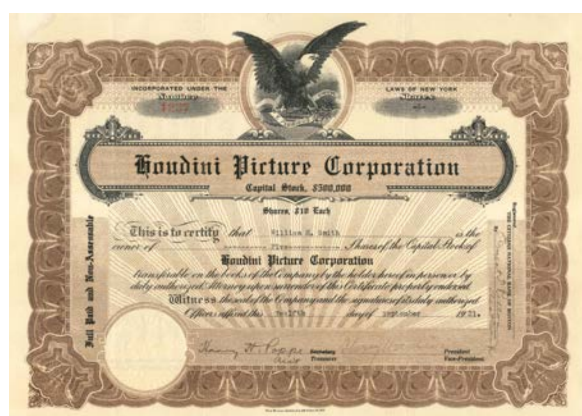
Houdini Picture Corporation Stock Certificate Signed by Harry Houdini, 1921

Erik Weisz, born in Budapest in 1874, immigrated to the United States with his family as a child. In America, the family changed their names to German spellings, and young Erik became Ehrich Weiss. At the age of nine, he began performing as the trapeze artist "Ehrich, Prince of the Air." Weiss became a professional magician in 1894, calling himself "Harry Houdini," inspired by the French magician Jean Eugene Robert-Houdin. Houdini became famous as an escape artist, and his performances featured stunts involving the magician freeing himself from handcuffs and sealed containers.

From 1909–1920, he starred in films for Pathé, B.A. Rolfe Productions and Famous Players-Lasky Corporation/Paramount Pictures. He then started his own production company called Houdini Picture Corporation, which produced only two films: *Man From Beyond* (1921) and *Haldane of the Secret Service* (1923). He left the movie business in 1923, declaring "the profits are too meager." Nevertheless, Houdini posthumously received a star on the Hollywood Walk of Fame in 1975.

Additional certificates from the Mazer collection are currently on display in the "Out of the Vault" exhibit. These documents feature signatures by US Presidents Andrew Jackson, William McKinley, Warren G. Harding and Calvin Coolidge. $





APR 16 1998 Cendant, one of the great growth stocks of the 1990s, collapses as executives disclose "potential accounting irregularities." The stock loses 46% of its value in a single day.

APR 24 1917 The first Liberty Loan Act authorizes the US Treasury to borrow up to $5 billion at 3.5%. The rate is so low that most experts predict failure, but they turn out to be a stroke of populist genius.

Spies, Abolitionists and the Origins of Credit Rating Agencies

By Brian Grinder and Dan Cooper

Tell father that Mr. Tappan whose son I know — and whose clerks young Tappan and Waldo are — has invented and established a new and very important business — which Waldo thinks could allow them to burn 99 out of 100 of the stores in NY which now only offset and cancel out one another. It is a kind of intelligence office for the whole country — with branches in principal cities, giving information with regard to the credit and affairs of every man of business in the country. Of course it is not popular in the South and West. It is an extensive business, and will employ a great many clerks.

— Henry David Thoreau to Sarah Thoreau, May 22, 1843

Lewis Tappan closed the door of Arthur Tappan & Co., his brother's silk-importing business, for the last time. As he walked away from the failed firm that had been such an important part of his life for the past 14 years, he must have felt a sense of foreboding. What was a 53-year-old man doing starting out in a new, untested line of business? Would it not be better to play it safe and find a more stable source of income or, better yet, retire?

Retirement was out of the question. The Panic of 1837 left Arthur Tappan & Co. reeling. The Tappan brothers' abolitionist activities hurt business in the South and forced Arthur, who preferred to sell on a cash-only basis, to begin extending generous long-term credit to new customers in an effort to recoup lost Southern business. By May 1837, the company owed creditors over $1 million and was forced to suspend payments. It was one of the most notable business failures during the Panic. Only Arthur's solid reputation prevented foreclosure, and Arthur, true to his word, eventually paid back every penny to his creditors. But the business stumbled along barely able to make ends meet until Lewis finally decided it was time to move on to something else.

On top of all his business troubles, Lewis's teenaged daughter had recently died after a long struggle with tuberculosis. Lewis had every right to be discouraged and downcast, but his deeply-held Christian faith had seen him through many trials, and he was not about to give up. The Tappan brothers' abolitionism was only the latest in a series of Christian endeavors that brought scorn and derision from much of the New York business community.

Abolition, especially the immediate emancipation espoused by the Tappan brothers, was about as unpopular in 1830s New York as it was in the South. Arthur served as the first president and chief financier of the American Anti-Slavery Society, while Lewis served on the Society's executive committee. Their abolitionist activities led to dire consequences for both brothers. Lewis's home was ransacked during an anti-abolitionist riot, and newspapers in the South called for the heads of both brothers.

In Louisiana, protesters pledged $30,000 to the person who delivered the brothers to New Orleans, and a minister in South Carolina offered $100,000 if abolitionists La Roy Sunderland and "old Arthur Tappan" were brought to the South. On hearing the latter offer, Arthur purportedly replied, "If that sum is placed in a New York bank, I may possibly think of giving myself up."

Lewis Tappan, founder of the Mercantile Agency.

Lewis's involvement in the abolition movement also hindered him when he tried to expand his new venture, the Mercantile Agency, into the South. However, his dogged persistence coupled with his superb management skills more than compensated for the troubles caused by his adherence to the abolitionist movement. The Mercantile Agency, according to historian James H. Madison, "…offered a new kind of service to American businessmen. …The Mercantile Agency was the first organized effort to provide all who wished to subscribe to its service with detailed credit information about businessmen across a broad expanse of territory. In both purpose and scope, the commercial credit reporting agency was a novel business institution."

After the Panic of 1837, Lewis began to realize that the current methods of determining creditworthiness were deeply flawed. These methods relied heavily on personal relationships between New York wholesalers, such as Arthur Tappan & Co., and their many customers scattered throughout the country. Historian Lewis Atherton noted that, "As late as the Civil War, merchandise was sold to country stores on a credit of six months without

THE MERCANTILE AGENCY DAILY NOTIFICATION SHEET.

R. G. DUN & CO.

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☞ *When inquiring for any of the undermentioned, please note on the Inquiry Ticket that the name was on the Sheet.*

CONNECTICUT.

Danbury—Foster Bros., Loss by fire $15,000 .... Builders
Winsted—Cook R. & Sons, Chas. Cook, Doing business as above, assigned .... Wagon Axles

DAKOTA TERRITORY.

Fargo—Winslow J. C., Judgt. $6,598 .... Lumber
Sioux Falls—Delwell & Co., Attached .... D G

ILLINOIS.

Chicago—Lane & Gough, Confessed, judgt. $181 .... Gents Furng

IOWA.

Dubuque—Fry Geo. H., If interested inquire at office .... Stoves, &c
Osceola—Sturgeon Bros., Asking extension .... G S

MASSACHUSETTS.

Boston—Woods, Perry & Co., Petitioned into insolvency .... Late D.G
Cambridge—Manning J., Attached $2,000 .... Liquors
Haverhill—Knights of Labor Co-Operative Hat Co., Failed .... Mnfr. Hats
Lowell—Hallowell & Berry, A. H. mtgd. R. E. $2,200 .... Brass Finishers
Lowell—Rugg H. A., Two attachments $15,000 each .... Music, &c
Lawrence—Yates Dr. E. S., Deed $1 to Cora G. Yates .... Drugs
Lynn—Blood C. O., Failed .... Pro
North Scituate—Wilder & Co., Loss by fire $3,000, ins. one-half .... G.S
Salem—Leach Matthew, R. E. mtge. $110 .... Harness Maker
Watertown—American Carpet Lining Co., Attached.

MICHIGAN.

Big Rapid—Colvin T. N., Sold out & left .... B. & S
Detroit—Schulte W. & Co., Chtl. mtgs. $1,900 .... Tailors
Edgerton—Tompsett Bros., Closed on chtl. mtge .... G.S
Woodville—Peterson N., Sold out .... G.S

MINNESOTA.

St. Paul—Funk & Petter, Dissolved .... Hats & Caps

MISSOURI.

St. Louis—Voightman G. T., Loss by fire $1.200 .... Paper Boxes
St. Louis—Speck L. & C. & Co., Dissolved .... Whol. Notions

NEW HAMPSHIRE.

Rumney—Fales W. W., Attached .... Lumber

NEW YORK.

Arcade—Blackburn & Potter, Transferred stock .... Drugs
Auburn—Slattery Bros., Assigned .... Tailors
Binghamton—Benton J. L., Judgt $24 .... Upholstery
Binghampton—Walker W. W., Loss by fire about $2,500, ins .... Confec
Buffalo—Geyer Bros., Offering 25 cents .... Mnfrs. Cigars
Buffalo—May Samuel, Sheriffs sale Aug. 12 .... Whol. Millinery
Cape Vincent—Fitzgerald Sons & Co., Dissolved .... Market
Fort Plain—Glaessell & Glaessell, Dissolved .... B. & S
Garry—Young S. E., Selling out at cost .... Gro
Greene—Sands C. F., Failed .... Harness
Hornellsville—Harris Jacob, Judgts. over $800 .... Tailor
Mexico—Wilson & Bickell, Dissolved .... Clothing
New York City—Brook E. B. & Co., Assigned .... Forwarding
Phelps—Gates C. H., R. E. mtge $150 .... Saloon
Plattsburg—Williams & Velsey, Dissolved .... Slate Roofers
Red Creeks—Barker G. D., R. E. mtge. $500 .... Carriages
Rhinebeck—Roof C. M., Sold out .... Drugs
Rochester—Hall C. S., Judgt. $1,983 .... Agrl. Implts
Rochester—Dorsey J., Sheriff in possession .... Machinist
Rushford—Johnson E. A., Bill of sale $800 to wife .... Jewelry
Savona—Orcutt & Seaman, Suc'd by Orcutt & Stinson .... Gro., &c
Seneca Falls—Vreeland J. W., If interested inquire at office .... B. & S
Sodus Point—Wickham F. C., Deed $75 .... Gro
Schenectady—McCann J. H., Agt., Sold out .... Confec
Schenectady—Young A. M., Chtl. mtge. $115 .... Jeweler
Schenectady—Vrooman Eliza J., Judgt. $54 .... Saloon
Utica—Evans Hezekiah, Judgt. $373 .... Flour, &c
Utica—Mulholland John, If interested inquire at office .... D G
Wells—Frye Wm. H., Sold out .... G.S

OHIO.

Cleveland—McGillen E. M., & Co., Reported attachment issued $7,600 .... D.G
Dayton—Shank E., Sold out .... Tailor
Oakwood—Ackley & Moody, Mortgagee in possession .... Drugs
Washington C. H.—Glickerson H., Chtl. mtge. $103 .... D G
Youngstown—Killian Bros., Chtl. mtge. $250 .... Tailors

PENNSYLVANIA.

Erie—Mellon, Elliott & Quigley, If interested, &c .... D.G. & Notions
Great Bend—Estabrook W. T. & Co., If interested, &c .... Hdwre
Greenville—Richard J. B., Judgt. $400 .... Marble
Lancaster—Diffendorfer & Eby, Failed .... Gents Furng
Lebanon—Behney S., R. E. mtge. $300 .... Gro. & Sewing Machines

RHODE ISLAND.

Providence—Valley Worsted Mills, Suspended payment.

WEST VIRGINIA.

Cameron—Crawford J. C., Reported left .... G.S
Huntington—Barbour L. H. & Co., Dissolved .... D G

WISCONSIN.

Brodhead—Stair Bros, Sold out .... Gro
Milwaukee—Nuebling & Co., Assigned .... Albums
Phillips—Hunt Bros., Dissolved .... G S

WASHINGTON TERRITORY.

Tacoma—Plate A. F., Attached by wife $2,300 .... Furng. Goods & Tailor

RECORD ITEMS FILED IN ALBANY AND RENSSELAER COUNTIES, N. Y.

These items do not necessarily affect the credit of the parties mentioned. They are given just as we find them on the Public Records, and suggest further investigation or explanation.

ALBANY COUNTY, N. Y.

August.	Real Estate Mortgages.	
7	Earl Myron B., New Scotland—Eliza A. Wediman, N. Scotland	$500
7	Mathes John J., Albany—Valentine Crasser, s. Clinton ave	300
7	Peck Samuel S., Albany—Chauncey P. Williams, s. State st.	1,000
7	Randall W. C., Plattsburgh—W. J. Roche, s. 3d st.	1.500
7	Slingerland Wm.—Mary A. La Grange, Bethlehem	3,000
7	Gennett Mary, Cohoes—John W. Kline, Cohoes	257
7	Nelson Georgia, Cohoes—John Dawson, Cohoes	1,000
	Real Estate Conveyances.	
7	Cannon Le Grand B., N. Y.—John Kelly, Watervliet	450
7	Manse Conrad, Albany—J. J. Mathes, s. Clinton ave	350
7	Strong Henry A., Ref., Cohoes—James F. Crawford, Cohoes	100
7	Wediman Eliza & Nicholas J., New Scotland—Myron B. Earl,	1,000
7	Starr Henry & ano., W. Troy—Patrick McCallan, W. Troy	1
7	McCallan Patrick, W. Troy—Catharine Starr, W. Troy	1
7	Farrell John, Albany—Patrick McKee, s. Delaware st	5
7	McKee Patrick, Albany—Sarah Farrell, s Delaware st	5
7	Meehan Valentine, Green Island—Sarah M. Gould, Cohoes	1
7	Gould Sarah M., Lansingburg—Margaret Benson, Cohoes	400
7	Simmons Geo. E., Cohoes—Niles Nelson, Cohoes	65
	Judgments.	
7	White Chas. H., Mary Harris & Lyman J. Lloyd, Albany—Albany City National Bank	86
7	McGovern John, Albany—Chas. L. Dean & ano.	171

Satisfaction of Mortgages.

7 Nalter Salvina to Georgia Nelson.
7 Tracy C. L. to Eliza Mayhen.
7 Tracy C. L. to Catharine Lawler.
7 Walter Conrad to Charles Wachman.
7 Tessier Frank to Lucy Falaedean.
7 Cushman Paul to Wm. Rattoone.

RENSSELAER COUNTY, N. Y.

August.	Real Estate Mortgages.	
7	McCarthy Ellen K., Troy—Samuel O. Gleason	450
7	Dupins Paul & wife, Troy—Etienne Jodoin	100
7	Blackburne Margaret, Troy—Mary Blackburne	300
7	Malony Cornelius & wife, Troy—Edgar F. Vanderzee	750
7	Byron Gregory, Greenbush—John Ruyter	100
	Real Estate Conveyances.	
7	Mann F. N., Jr., et al., Troy—Samuel Buchanan & wife	800
7	Heffernan John & wife, Hoosick Falls—Daniel O'Neil	300
7	Whitfield Geo. & wife, Lansingburg—Mary C. Hunt	1,200
7	Hunt Mary C., Lansingburg—Geo. Whitfield	1,200
7	Fellows Sarah K., Brooklyn—Mary A. Starkpole	1
7	Gautier Magdalena B., Lansingburg—Patrick Murphy	2,400
	Judgments.	
7	Scriven Marshall W. & Co., Trans.—E. R. Ives et al	123
7	Excelsior Fire Lighter Co., Albany—Frederick B. Finch	154
7	Forest Martin & Geo. H. Tilden, New Lebanon—M. Sheeran	191

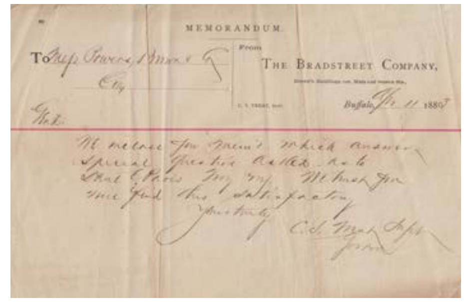
THE BUSINESS FAILURES OF THE LAST SEVEN DAYS

number for the United States 162, and for Canada 18, or a total of 180, as compared with a total of 201 last week, and 215 the week previous to the last. The returns show a diminution in business casualties in every section of the country.

Printed at the Office of R. G. DUN & Co., 479-481 Broadway, Albany.

The Mercantile Agency Daily Notification Sheet, issued by R.G. Dun & Co. on August 10, 1885.

Collection of the Museum of American Finance



Memorandum from the Bradstreet Company, dated April 11, 1883.

Collection of the Museum of American Finance

interest, and an additional six months was allowed if storekeepers were willing to pay a moderate interest rate for the extension."

To obtain such credit, a storekeeper was simply required to obtain a letter of reference from a respected storekeeper, a local lawyer or a minister vouching for the character and creditworthiness of the applicant. This system worked fairly well until economic downturns sent ripple effects through the entire credit system. Moreover, as the country continued to grow, it eventually became impossible for the New York wholesalers to develop the kind of personal relationship with their customers that the credit system required.

Large, well-established European firms, such as Baring Brothers, solved the problem by hiring full-time employees to travel around the United States and gather information on potential credit customers. Such a system was too expensive for most US businesses to emulate. In New York, some wholesalers organized the Merchants Vigilance Association and hired an individual to travel about and produce credit reports for the Association. The effort, however, was short-lived.

Lewis Tappan adroitly stepped into the gap and worked incessantly to get the new agency up and running. This involved going from door to door soliciting subscriptions from various New York businesses. He also worked hard to develop a national network of correspondents who would deliver timely and accurate credit reports to the company's New York headquarters. He took advantage of both his business network and his abolitionist network to find correspondents. When those avenues were exhausted, he worked to identify local lawyers to complete the task. One notable abolitionist who agreed to work for him was Salmon P. Chase, future Secretary of the Treasury, and one of the lawyers he recruited in Illinois was none other than Abraham Lincoln.

In the early years, Tappan's correspondents worked in secret to uncover information on local businesses. This unnerved many businesses » *continued on page 38*

Words *of* Wisdom

Excerpts from the Remarks Delivered at the 2017 Museum Gala

At the 2017 Museum of American Finance Gala on February 1, the Museum honored Joe Ricketts with the Charles Schwab Financial Innovation Award and Lawrence H. Summers with the Whitehead Award for Distinguished Public Service and Financial Leadership. Excerpts from the remarks delivered that evening are published below in the order in which they were presented.

CHARLES SCHWAB

Founder and Chairman of the Board
Charles Schwab Corporation

I have to say one piece of advertising: this Museum is incredible. In many ways it may be the only way the flame of entrepreneurship is really being kept alive. It's pretty incredible; you need to take your kids, your grandkids or anybody who will want to listen to you. This will give you a little history of how we achieved what we have in America. It's pretty spectacular, and we've got to keep that flame alive. The Museum is trying to do that.

Last year I was recognized by the Museum [with the Financial Innovation Award], and I really loved receiving that award. It really meant a lot to me, frankly, and I think our industry that I grew up in hasn't had quite the recognition for the transformation that we are providing to the American finance scene to investors and so forth. Look out, investment bankers, you are going to be put aside.

When [the Museum] approached me last year to add my name to the award I thought it was important to do. At first I was like, "Are you kidding me? Put my name on this award?" Then I thought about how important it was to the world of finance, and how incredibly important it is to bring millions and millions of investors into the prospect of participating.

Looking back in history, financial innovation has certainly been a part of our country's heritage, really since the earliest days of Alexander Hamilton. I saw his things in the Museum. I saw his writings. He was the first Secretary of the Treasury in 1789. American credit at the time was completely void; it was something that we — as a country coming out of the Revolution — simply couldn't address. Our country at the time, of course, was not honoring its debt, but then Secretary Hamilton wrote a long and persuasive memorandum to Congress. He wanted the Congress to honor all the states' debts together as one nation. There was one cement, and that was recognition of our debt — that we would pay it off so we would become of course the world's best place to do investing. Hamilton summed up in his view what it really meant. He said it simply was "the price of liberty."

Think about it. I think it is a pretty profound way [to indicate] the importance of finance. And we have become the place to invest, to say the least. So throughout our nation's history, financial innovation has been obviously very key. I mean, in 200 years there are so many different things we could recognize for sure, and we will keep on going. It is really crucially important. That combination of innovation, coupled with profit making, coupled with entrepreneurship — is crucial.

So tonight I get to honor another entrepreneur in my field who really was a very tough competitor, and a very creative competitor. There are so many things I wished I had done that Joe did along the way. My good friend is now Joe Ricketts, [but] in the past we were really fierce competitors. We fought tooth and nail — you do this thing and we will do that thing, and so on. It was really a lot of fun, actually, through our formative years. Our careers have crossed paths more recently, and we have gotten to become really good friends.

We started collectively the low cost transaction business. We developed together — I mean not together (we were not in concert but were competing for it) — 24/7 service. You could do business on Saturday and Sunday with us, so that was pretty interesting. Even before the Internet we had one-stop investing, convenient trading like online and mobile (which we have done more recently). We also have a pretty important thing going on right now; we were able to decouple

commissions from advice. It created the whole innovation of the independent financial advisor, which are very big and fast-growing. We hold, I think, $1.5 trillion for advisors. It is a massive business. I don't know what Joe's numbers are, but they're larger than ours I am sure.

Together, we were able to create for them a business that was never possible before because Wall Street wanted to control everything. So our brand of mavericks helped, I think, in many ways to create a new democracy in investing. It is in my mind proof that competition is a major source of wonderful and highly-useful information and innovation. Joe and others like him have led a modern revolution of access and participation. That is something we all must continue to help Americans to reach the [goal of] financial security. It is a desperate thing out there right now. I won't go into those numbers, but they need our help right now. I think that is why we are in business, because of that issue.

I now want to introduce Fred Tomcyzk, who was the CEO [of TD Ameritrade] more recently, now retired, who is going to say a few kind words about Joe.

FRED TOMCZYK

Former President/CEO
TD Ameritrade

It's pretty special to be at an event tonight honoring two people I would say who frankly don't get enough credit for what they've done to change the face of financial services in this country. In 1975, when the SEC decided to deregulate brokerage commissions, none of the established firms in the industry thought it would amount to anything. Who would risk cannibalizing their business by cutting prices in the oligopoly that existed at the time? It took people like Chuck [Schwab] and Joe Ricketts, and people like Rodger Riney, who I see here tonight, from Scottrade, to see the enormous opportunity and to invest in it. These people built an entirely new industry on the premise that the average American deserved the opportunity to save for and invest in their financial future.

Joe Ricketts is a man who wanted to start a nice local business when he started out. He'd been working for Dean Witter; he had clients, friends and family members who wanted more flexibility in their investing. They wanted to be able to just buy or sell a stock, without having to talk to a stock broker and pay high commissions. They wanted the freedom to just make a trade or transaction or investment. They wanted something more plain vanilla. Not unlike the generic canned vegetables that he saw his wife Marlene buying on the budget he had to feed the growing family. So he took a risk — the biggest risk of his life he would say — and would invest $12,500 into an idea he had. Anybody that knows Joe knows he has lots of ideas.

That idea, today, has grown into a top financial services brand worth more than $25 billion. But it wasn't always easy. The early years were hard. Joe, Chuck and other discounters were small fish compared to the enormous wire house firms. And they needed to find a way to break through.

Now Joe is an ideas man. He's always been fascinated by technology and the potential it has to make our ideas easier and more meaningful. Many would tell you that he had more ideas in those early years than he had resources to carry them out.

I just want to talk about one. In the mid-'80s he had an idea for offering trades via touch tone phone. Building it, he thought, would bring scale to the company and greater speed to the client, putting his retail investors more on par with the professionals on Wall Street. Now Joe went to his management team and his board and talked to them about that idea, and they all told him it was a bad idea. He did focus groups with clients, and they told him it was a bad idea. But Joe had a feeling in his gut that this was an idea that was bigger than anything they could imagine at the time, so he bucked convention and invested millions of dollars into that idea.

The funny thing was that all of Joe's research turned out to be correct. His clients didn't want touch tone trading, but another audience did. And these were investors who came to Joe and embraced his new offering and took it one step further, buying automated dialers to enter trades more rapidly than their fingers could push buttons. And that gave birth to the retail active trader.

Now Joe has been successful in business and in life because he's always been an innovator and a builder. He's always had ideas and lots of curiosity. And like all entrepreneurs he's restless — an eternal optimist — and he constantly encourages those around him to push for something better. He was an early adopter of online trading, even going so far as to buy the company that did it first. He poured all of his profits into growing his business and into technology and into marketing and breaking with convention by daring to inject humor into financial advertising. He believed that if you could give everyday Americans the same information and access to Wall Street that professionals had, and you taught them how to use it, there would be nothing to stand between them and their financial futures.

And he delivered. TD Ameritrade has helped tens of millions of Americans invest in a better tomorrow. Today it serves more than seven million client accounts, holding nearly $800 billion in assets. All of this was possible because Joe believed, contrary to Wall Street opinion, that retail investors were actually smart and capable, if you armed them with the right information. His goal was to empower them.

Now this enthusiasm and zest for life that Joe continues to have has led to countless pursuits beyond TD Ameritrade. He's been involved in numerous philanthropic causes. And one he's particularly proud of is the Opportunity Education Foundation, which has touched the lives of 500,000 students attending nearly 1,000 schools in 11 developing countries. And, of course, he and his family brought the World Series championship to the Chicago Cubs for the first time in 108 years. These are all passion projects to Joe — things he's

incredibly proud of and humbled to support. But I think he'd be the first to tell you that none of this would have been possible if it had not been for that initial $12,500 investment.

Joe was a big supporter of mine on the eve of the financial crisis. I had just taken on the role of CEO of TD Ameritrade. As we all know, it was quite a crisis. Our clients were scared; our employees were scared; I would say that some of our shareholders were scared. I went to the board at that time and said I thought we should go for growth and do what we've always done, which is to disrupt the traditional wire houses who were in tough shape back then. If that didn't work, we could always do what we had to do, which was to cut expenses. Joe quickly endorsed that strategy and supported it. He said go for growth, disrupt as we've always done and don't pull back. So that's what we did, and it worked. We really started on the asset gathering journey at that time.

Over the years Joe and I have become good friends. He has a lot of love within him; that you have to have to believe in people to the extent that he does. And we believe in him, and that's why we're here tonight. Congratulations, Joe.

JOE RICKETTS

Founder, Former CEO and Former Chairman
TD Ameritrade

I would like to start by saying thank you to the members and Board of Directors of this Museum for nominating me, and thank you Chuck Schwab for having me be here. It is quite an honor, and I would like to say that in 1960 I had a sociology teacher tell our class that the reason the United States was rich and prosperous was because we had a lot of natural resources. I thought, "Oh my God, how lucky are we?" When I got out of school into the real world, I found out that wasn't really true. There are a lot of countries that are really wealthy with a lot of natural resources, and their countries don't do well. An example currently is Venezuela; an example from the last century and still today is Argentina. And there are many, many more. Socialism just really doesn't work.

I came to realize the thing that made us strong, the thing that made us rich, the thing that made us prosperous was free enterprise. And free enterprise doesn't happen without finance. So this is an important institution. This Museum captures the history of the financial well-being of the United States, from the colonial times to the settlement of the West to the industrial revolution to the technology revolution today. We would not be where we are — society would not be, our country would not be — without finance. So, as this is an important institution, I would like to ask you to be generous in your donations.

In 1969, I went to work for Dean Witter. One of the first things we had to do was study the history of the securities industry and the history of the stock exchange. One of the first things I read was that the early brokers met under a buttonwood tree in this neighborhood in Lower Manhattan. I was born and raised in Nebraska City, the home of Arbor Day, and I didn't know what a buttonwood tree was. But I had in my mind it was a great big tree that put out a lot of shade so that the early financiers in their funny clothes and their funny hats and funny shoes could get together in the shade and map out the rules and regulations that they knew they needed in order to make the financial services industry grow and be strong.

Now they were very successful, as you know. Along the way one of the rules that they picked up was the minimum commission. So they said among themselves, if you are going to be a part of our association, there is a commission rate by which you cannot go below. You can charge as much as you want on the top, but there is a rate you cannot go below. And I am sure in the early days when the industry was a baby, when it was brittle, when they were having a hard time getting it started, that was an important regulation to make the industry successful.

But as they became successful, incredibly successful, the Justice Department, the Congress and the SEC came to realize that that rule — that regulation — was in restraint of trade, and they were going to have to get rid of it. The industry, knowing they could not fight the powers that be, started to abide by their direction and by the late 1960s some of the larger trades were eliminated from that rule and went to what was called negotiated commissions. And I think in 1973 the trades above $500,000 or more became unregulated by that commission and traded on negotiated commissions, and then of course May 1, 1975 everything went in that direction.

Because of an elimination of that regulation we had the industry take off. Millions of people flocked to the industry in the succeeding years, and they added breadth, depth, liquidity and size, and that really kind of transferred around the world. So as we take a look at what our government does, let's keep in mind if we eliminated regulations a good share of the time we are going to benefit greatly.

Now, as I look around this room, I see a lot of important people. There are a couple I want to call your attention to — the first is my wife. 38 years ago I came home from work one day and I said, "Marlene, we are opening up a lot of new accounts, but since they are not open they are not providing us any commissions at the current time. We really don't have money to hire a new accounts clerk. Will you come to work at the business?" She said, "How much do I get paid?" "Like I just told you, honey, we can't afford to pay anything." She said, "Joe, I really don't want to." She was a school teacher. She said, "I enjoy my job, but more importantly every day after school our son, Todd, comes in the kitchen door and the first thing he says is 'Mom.'" So she knew the family needed her. But she also knew I needed her in the business, so she gave up her personal life that she enjoyed very much and came to work for us at Ameritrade to help us make it be a success. She worked for us for many, many years.

There are another couple of people I would like to call your attention to that are very important, and that is Chuck Schwab and Rodger Riney. Now these guys were my corporate enemies 30 years ago. As Chuck just described, we struggled for years competing with each other, and the customers benefited from all of that. As I think back to when we started, we had a desk, a telephone, a pencil and a stack of buy and sell orders. When we would do a trade, we had a clerk type up the confirmation, put it in an envelope and drop it in the mail. And we had an accounting clerk that had a rectangular ledger accounting book, and she would write in longhand all of the trades that we made. At the end of the month, we would type up the month end statement and send it out to the customer. It is just amazing to me what has happened over the years since 1975.

Now, I sort of feel not only good friends with Chuck Schwab and Rodger Riney, but I feel there is more of a kinship because they had to solve some of the same problems that I had to solve. When we started to become successful, we said we needed to do our own clearing so that we could give our customers better service. Now clearing has got a simple description: trade the money for the securities for the buyer and the seller. But the actual process of doing it is actually very sophisticated and complicated. And there isn't any place to go and learn. There aren't any books. There isn't any school. Nobody is going to teach you how to do it. Maybe if you are located in New York you can hire somebody that has experience, but we are in Omaha, Nebraska. There is really nothing that we can do that would allow us to go into this activity with any experience. So we just had to do it. And when you do things like that, you make a lot of mistakes. Of course, we learn from mistakes, but it cost millions of dollars. And it was very heart wrenching, and it was very difficult.

The thing that really makes me feel that kinship with Chuck Schwab and Rodger Riney is that we had to solve many of the same problems in competing with each other, and I know after becoming friends with both of them that they are people of upstanding character, and it is a great pleasure for me to know both of them and call them friends.

RAY DALIO

Founder and Co-Chief Investment Officer
Bridgewater Associates

First of all, I want to say that this Museum is very important in terms of the educational programs that it puts on. Through my experience I have been surprised many times, and most of these surprises that we experience are things that never have happened in our lifetimes, but have happened many times before. The Museum is educating us and is a fantastic resource, particularly for the high school programs. So it's a pleasure to be here.

It's a particular thrill and honor to introduce this year's recipient for the Whitehead Award for Distinguished Public Service and Financial Leadership, who's a man I have admired for most of my adult life and who's become a friend over the last 20 years. And I admire him, Larry Summers, for his brilliance and his character. In my opinion, Larry is the most outstanding — certainly the most practical — economist that I know because he brings his own brilliance to, and perspectives, that he's gained in academic economics and political economics, and also in market economics. So he understands economics deeply from all of those perspectives, and he's unique.

So how did he become unique? Like everybody else, his DNA and his upbringing are the keys to Larry's uniqueness. He was, I guess, genetically engineered to be an economist because both of his parents are economists, and he's the nephew of two Nobel laureates in economics. So, genetically, he was meant to be an economist. He's a brilliant man who at age 16 goes to MIT; at 27 he gets his Ph.D. in economics; at 28 he's one of the youngest ever tenured professors in economics at Harvard. Can you imagine at 28 being a tenured professor of economics at Harvard? And Harvard made a very good choice in making him a tenured professor because for a number of years up until 40, he wrote more economic publications than all professors combined at Harvard and most other universities. And at age 40 received the John Bates Clark Medal for the most contributions among his peers in economic thought in the United States. Quite an accomplishment; quite a position at age 40. And his career hadn't even begun yet.

Essentially he then went on to his public service, to where his career really began. He began as Chief Economist of the World Bank; he was Under Secretary of the Treasury and Treasury Secretary under Bill Clinton; president of Harvard University; and then essentially President Obama's chief economic advisor, and more responsible I think than anyone else in terms of setting the administration's policy.

Over the last 20 years, Larry has been involved in fixing every major economic problem that has existed. So, that's his public service, with a break as president of Harvard University.

Think of each one of those jobs as an amazing, amazing job. And in each one, Larry has created a number of accomplishments. One of the things he did was inflation indexed bonds, and that's when I met Larry. He came up with the idea that the United States should have inflation indexed bonds. We were the only bond manager who traded in global inflation indexed bonds, and it gave us an opportunity to get acquainted. And I had met Treasury Secretaries before, but I never met a person who analytically understood the markets as well as Larry did.

So he put together the inflation indexed bonds. When he launched it, he cleverly made the statement, "Years in the future, I'm going to be able to look back on this, and we're going to be able to say that either we saved the Treasury a lot of money, or that we made a hell of an investment for individuals." Larry was beginning to learn how to be a politician.

Since then, there have been $1.2 trillion of inflation indexed bonds in the United States, and 13 countries have followed Larry's lead in creating inflation indexed bonds in the world. Now there are $3 trillion of inflation indexed bonds in this fantastic asset class that never existed before. And that's just one of Larry's many, many accomplishments.

So, obviously Larry Summers is a brilliant man, but the John Whitehead Award really is not just brilliance and public service, which Larry has given us plenty of, but it's also about character. Anybody who knew John Whitehead knows about his character, and I want to say that Larry in so many different ways has great character. He's famous for needing to find out what's true and speaking the truth. It's almost been a problem for Larry. But he has this compelling need that I respect to find out what is true, and a lot of people who are not as gifted as Larry think that Larry is a bit arrogant. If you get to know Larry, he's the most open-minded person that you can find. I watch him with world leaders and his students — trying to pull out of them their perspectives on any subject.

In terms of his character, as president of Harvard and now professor, he's been an unbelievable mentor to the kids. He treats them as peers; he pulls out of them their thoughts, and he puts them above everybody else. When he was president of Harvard he realized there were a lot of kids in the country who really couldn't even think of coming to Harvard University, and yet they should. And he began a scholarship program specifically for those kids. Then that scholarship program was followed by a number of other Ivy League schools. When he was president of Harvard he envisioned what Boston and the Harvard area could be in terms of the biomedical area. Today, within a five mile radius of Harvard Square, there is more biomedical research with the best minds, largely as the result of Larry.

I could go on listing Larry's leadership and public service, but I'd be here probably the next hour trying to get through that. I'm standing between you and a truly great man, a man who I admire enormously and who has produced ripple effects in terms of our economic well-being in ways that are much more subtle than many of you and I can appreciate.

LAWRENCE H. SUMMERS

Former US Secretary of the Treasury and President Emeritus *of Harvard University*

Thank you for those warm words. I am reminded of what Lyndon Johnson said when he was introduced, only half as generously as you just introduced me: "I wish my parents had been here for that. My father would have appreciated it and my mother would have believed it."

Joe [Ricketts], it is a privilege to share the stage with you on this occasion. I have to say that nothing I have achieved have I achieved alone, and if what Ray [Dalio] says has any truth at all it is a reflection of the many great people — including two Presidents of the United States — who have entrusted me with great responsibility, a tribute to the hundreds of colleagues of extraordinary ability and dedication that I have had the privilege to work with. And nothing I have been able to do would have been possible without the love and support of my family.

Frankly, I would have gone anywhere to hear a speech like Ray's about me. But I really feel a special sense of pride in being able to help an event at the Museum of American Finance because I believe that it is extraordinarily important to remember history and to learn from it. It is my conviction that the further forward you want to see, the longer back you have to look. It has been my observation that the most successful public servants and public leaders, men like John Whitehead for whom this award is named, achieved much of what they achieved maybe in part because they were smart, maybe in part because they were effective, but in large part because they were wise. And what made them wise was experience and the knowledge of history.

And that in our arena of finance is what is recorded, studied and transmitted at this very important museum. And I would dare to suggest that at this moment in our national life — knowing history, distilling its lessons, learning from what has gone wrong and learning from the much larger number of things in the American story that have gone right — is profoundly important. And I would suggest that if you walk around the Museum of American Finance, if you think about what is behind those exhibits…yes there are stories of great men and women, yes there are stories of great institutions and yes there are stories of epochal events. But if you look through all of that there are some principles that I believe are especially important today. Here are a few of them:

First, negotiation, exchange and interaction are not a zero sum game. They are a game from which everyone can win. A good deal is not when you beat the other guy; a good deal is when you win and he or she wins. A good deal is when the world becomes a better place. That's true when in the simplest and most basic form of exchange — you sell something and you are better off getting the price, and I buy something and I am better off getting the thing. And the same thing is true on a much larger scale in the financial arena and beyond.

Here is a second principle. Finance and economic life work best when they are based on openness, transparency, principle and are free from political motivation. That's

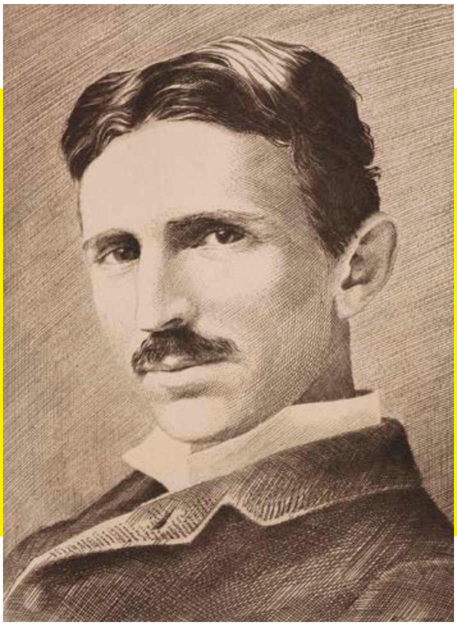
why independent central banks are best. That's why nations that are determined to keep their currencies strong fare best in the end. That's why common rules—the same tax rules for all companies, the same regulations for all companies and no *ad hoc* threats or bribes from public officials, no matter how powerful—are what make the market systems function best.

And there is something else that you learn in the Museum of American Finance, and I suppose that some people would say this is a corny lesson. Probably there are some people who would say it isn't even a valid lesson. But as someone who has taken an oath of office before serving in the federal government four times, it is something I believe very much, and that is that the United States is an extraordinary and exceptional nation. It is an exceptional nation because of the things that I have already talked about—the rule of law and so forth. But it is an extraordinary and exceptional nation also because of what it has strived to achieve for the last 75 years in the global system.

It has not sought, for the most part, to manipulate that system for temporary and transitory and commercial advantage. Rather, it has acted in the conviction that an open and generous global system in which all can prosper is a system in which our companies will find the largest markets, our workers can find the greatest opportunities and our nation will be most secure. That yes, we will stand up for that rule of law and we will not allow ourselves to be treated unfairly, but that our mission is not just to maximize our short-term interest. But that our mission is to be part of building a better world.

You learn that too studying our financial history, studying what the dollar has meant to the global financial system, studying the United States' founding role in the Bretton Woods system, studying the role American leadership has played in international crisis after international crisis and, yes, studying how much has gone wrong, as in the late 1920s when the United States abdicated those responsibilities.

I believe that coming here together in support of this museum, we are all a part of something that is hugely important—coming to a greater and sharper and clearer understanding of the past so that we can work to create a greater future for ourselves, and for all our fellow citizens. And that, more than anything about me, is why I am so honored and pleased to be a part of this event tonight.



Science & Society Picture Library / Getty Images

LIGHTNING STRIKES

TIMELESS LESSONS IN CREATIVITY FROM THE LIFE AND WORK OF NIKOLA TESLA

By John F. Wasik

World-changing inventions made the inventor Nikola Tesla a celebrity in his own time, but something otherworldly makes him transcend his era and remain a perpetual beacon for our civilization 70 years after his death.

He's now an immortal rock star, an icon for billionaires, cyberpunks, artists and "maker" inventors who are still fiddling with everyday machines in their basements and garages. Search engine designers, energy czars, musicians, artists and creators everywhere feel his influence. He's our Leonardo, the Shakespeare of invention.

A car, a rock band and a unit of magnetic measurement have been named after Tesla. You can talk to anyone who's enjoyed any mad scientist scene in any science fiction or horror movie and see his Tesla coil pulsing electricity like a dynamic spider web of electrons. Tesla is energy, meters, dials, lightning bolts and the robot-drone master. He's patron saint and mystic, discoverer and wronged entrepreneur. A prophet dishonored in his own time, but revered in ours.

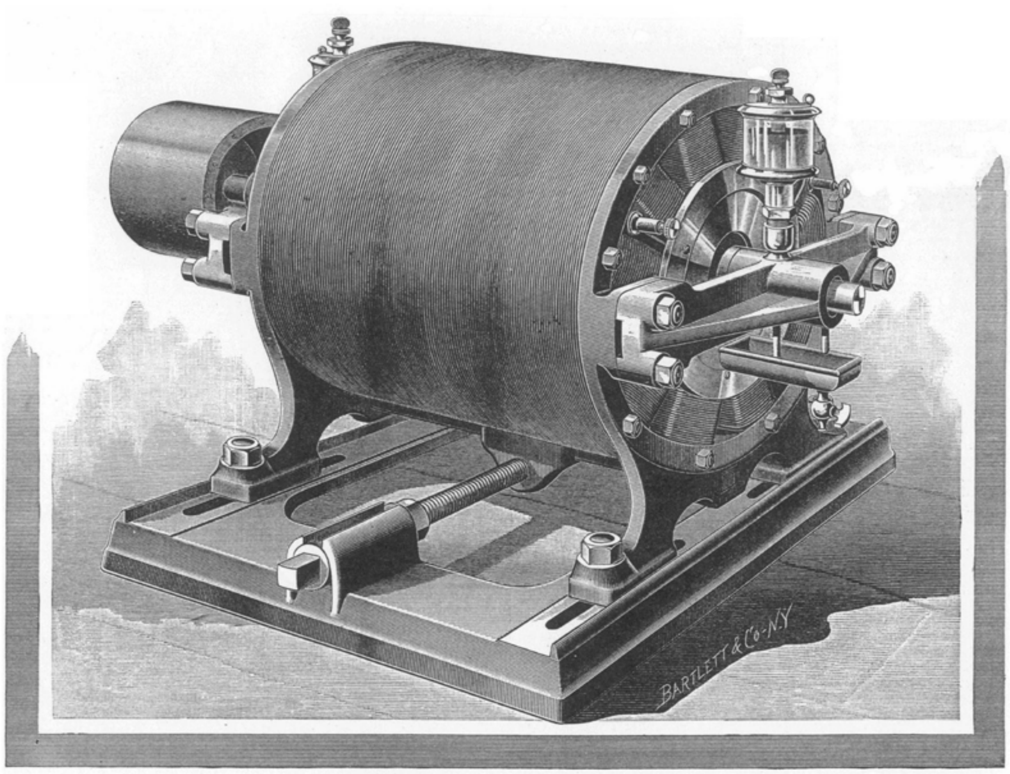
To some of his latter-day followers, it's as if Tesla never died, instead becoming a techno-mystic deity. A few years ago, actor Nicolas Cage described preparing for his latest role by immersing himself in the character of Tesla, who's appeared directly or indirectly in hundreds of movies, usually accompanied by the dancing sparks of his Tesla coil.

Tesla broke the rules to become one of the most successful inventors of all time. To call him just an inventor, though, is to understate his thorough understanding of how energy, science and world peace could co-exist. His was a mind burning with powerful ideas that have resonated and become amplified since his passing in 1943. He's now seen as a visionary who wanted to marry technology with world peace.

Few of Tesla's peers have attracted such devotion, making him an object of cult-like veneration. New Agers insist that he talked with alien worlds (or was an alien himself), while conspiracy theorists think his idea of a "death ray" that could blast planes out of the sky was eventually developed by the Pentagon, and that the government has been keeping it a secret for nearly 70 years. Over the years, Tesla's technology has been blamed for everything from destroying Siberian forests to Hurricane Katrina.

Today, there are few stronger, sexier brands than Tesla. Year by year, Tesla's popularity grows as the memory of his contemporaries — George Westinghouse, Thomas Edison and J.P. Morgan — recedes even further into history.

In our day, Tesla's achievements have come to overshadow those of his nemesis



Heritage Images / Hulton Archive

Patent drawing for Nikola Tesla's Westinghouse electric motor.

Edison, who worked manically and completely failed to defeat Tesla's operating system for the global electrical grid (alternating current). And yet, for all of Tesla's status among cultists, and all the relevance of his inventions to our modern lives, it is Edison who still continues to be remembered as an American hero.

Unlike Edison, Tesla was *chimeric*, that is, he was like the ancient, mythical beast that was part lion, dragon and snake. In the Greek myth, the monster is slain by the hero Bellerophon, who rides Pegasus, but later falls from the winged horse. Metaphorically, to become chimeric is to embody different kinds of human creativity; *chimeric transformation* is what Tesla showed us, who endured many trials of fire as he transformed himself from an electrical engineer fixing Edison's early projects to the systemic thinker who was dreaming up solutions for universal clean energy and world peace. A disruptive innovator, he set the tone for generations.

What does Tesla offer for today's global economy? The inventor looked at changing entire systems. How can we more efficiently move power and information? Remember the electrical grid is antiquated and based on century-old technology.

What about the creative process needed to provoke disruptive innovation? Tesla showed us that we need to visualize what we need to do, then draw or animate designs and make models — and tinker with them.

Failure is a key part of the learning process and is something we don't readily embrace in Western culture.

The Maker Faire movement, for example, is promoting this process through 3-D printing, robotics and coding. At Maker Faires, the kids come in and just play with things to see how they work. That's the future of innovation, not manically teaching to standardized tests, offering more PowerPoints or brow-beating students into getting perfect grades.

Granted, nearly every major system is in need of re-invention, which is a key component of Tesla's creative machine. Break it down, rebuild it and make it better. That applies to everything from urban transportation to the political machines that need to be re-engineered to provide broadly shared prosperity and a spiritual economics. It's Tesla-like innovation that will engender a more compassionate capitalism and political systems. $

John Wasik — author of 15 books and more than 1,000 columns, blogs and articles for the Wall Street Journal, The New York Times, *Reuters,* Forbes *and Bloomberg News — has been researching Tesla for more than a decade. This article has been excerpted from* Lightning Strikes: Timeless Lessons in Creativity from the Life and Work of Nikola Tesla *(Sterling, 2016).*

FOR THE LOVE OF MONEY
Blacks on US Currency

On April 20, 2016, US Treasury Secretary Jacob Lew announced that Harriet Tubman will be featured on the front of a redesigned $20 note set to debut in 2020. Tubman will be the first Black person and first woman to appear on the front of US paper money. Lew's announcement also revealed that Sojourner Truth will appear on the back of a new $10 note along with fellow suffragists Lucretia Mott, Susan B. Anthony, Elizabeth Cady Stanton and Alice Paul. Additionally, Dr. Martin Luther King, Jr., Marian Anderson and Eleanor Roosevelt will be featured on the back of the redesigned $5 note.

Lew's announcement launched a national discussion on the role of imagery on currency. The practical role of artistic currency design is counterfeit prevention, but it also carries a deeper meaning. To be featured on currency is among the nation's highest honors. Both the Bureau of Engraving and Printing and the US Mint embrace the mission to convey American values and principles through currency.

Previous issues of paper money have focused on themes such as industry and freedom, while the next set will be designed around the theme of democracy. The US Mint also considers American coinage to be "exquisite encapsulations of America's ideals" and takes pride in its numismatic designs that are meant to depict American history and culture.

The Treasury's latest redesign will acknowledge for the first time on paper money the contributions of Black and women's rights activists in advancing American democracy. There is a longer tradition of honoring such leaders through the creation of commemorative coins, medals and medallions.

Positive representation of free Black people on commemorative currency is one of the earliest forms of public recognition of Black excellence, contribution and value. Enshrined in law, commemorative currency represents indelible milestones in the centuries-long struggle of Black people to achieve equality and justice. Commemorative legislation and currency help to accurately document the Black experience in the United States.

The anti-slavery tokens, commemorative coins, concept coins, bronze medals, Presidential bronze medals and gold medallions featured in the Museum's new exhibit, "For the Love of Money: Blacks on US Currency," celebrate Black icons, seminal historic events and institutions which have shaped Black history and significantly influenced American history. They represent a Black history timeline that spans from the arrival of Africans at Jamestown, VA, and participation of Black Patriots in the Revolutionary War, to over a century of Black historical achievement from Post-Reconstruction to the Civil Rights Era and the election and re-election of the first Black President.

"For the Love of Money" honors barrier-breaking Black athletes, entertainers, civil rights leaders, military leaders and politicians, and it features the historic contributions of several prominent Black women.

The following images represent a selection of objects from this exhibit, which will be on loan to the Museum of American Finance from the Museum of UnCut Funk through January 2018. $

Am I Not a Woman and a Sister
1838 Anti-Slavery Token

Manufacturer: *In 1837, the American Anti-Slavery Society commissioned Gibbs, Gardner and Company of Belleville, NJ, to produce anti-slavery tokens.*

American copper hard times tokens were privately minted and used by merchants to make change during a recessionary period in the United States. The design of the US anti-slavery hard times token was inspired by British ceramic medallions produced by abolitionist Josiah Wedgwood. These anti-slavery medallions made their way to the United States as a gift from Wedgwood to Benjamin Franklin, then president of the Society for the Abolition of Slavery. This imagery was also used on British anti-slavery tokens.

Most American anti-slavery tokens differed from their British counterparts in featuring a chained African female slave. Female imagery may have been selected due to the involvement of women in the abolitionist movement and the similarities to their fight for women's rights.

George Washington Carver/Booker T. Washington 1951 Silver Half Dollar

Designer: *Isaac Scott Hathaway. Hathaway was the first Black artist whose work was produced by the US Mint.*

Born into slavery, George Washington Carver became a famous agricultural scientist and inventor. He identified many alternative uses for peanuts, sweet potatoes and soybeans, and he helped Black farmers transition from growing cotton to alternative crops.

Booker T. Washington was a former slave who became a famous author, educator and orator. Washington served as an advisor to Presidents Theodore Roosevelt and William Howard Taft. He founded the Tuskegee Normal and Industrial Institute, now known as Tuskegee University. He believed economic self-reliance was the best way for Black people to eventually achieve equality.

Marian Anderson 1978 Bronze Medal

Designer: *Frank Gasparro*

Marian Anderson was a renowned contralto and one of the most celebrated singers of the 20th century, who was invited to sing at the White House, on the steps of the Lincoln Memorial and at the Metropolitan Opera, in each case a first for a Black person. The 1939 Lincoln Memorial performance was facilitated by President Franklin D. Roosevelt, First Lady Eleanor Roosevelt and the NAACP after the Daughters of the American Revolution denied her an opportunity to sing at Constitution Hall because she was a Black woman.

Joe Louis 1982 Bronze Medal

Designers: *Michael Iacocca (obverse); David Redmond, a high school student and design contest winner, and Edgar Steever (reverse)*

Joe Louis, the "Brown Bomber," was the second Black world heavyweight boxing champion, holding the title from 1937 to 1949, and is considered to be one of the greatest heavyweights of all time. His 1938 defeat of the German boxer Max Schmeling not only avenged his only loss to that point, but delivered a stinging defeat of Hitler's myth of Aryan supremacy. Louis was also instrumental in integrating the sport of golf, breaking the color barrier in 1952 by competing in the inaugural San Diego Open, a PGA tour event, through a sponsors exemption.

Jesse Owens 1988 Bronze Medal

Designer: *T. James Ferrell*

Jesse Owens was the first American track and field athlete to win four gold medals in a single Olympiad, at the 1936 Berlin Olympics. His historic performance disproved Hitler's myth of Aryan supremacy. Known as the "Buckeye Bullet," Owens became the first Black male captain of an Ohio State University varsity team. He set three world records and tied in a fourth at a championship meet within 45 minutes.

Jackie Robinson
1997 $5 Gold Coin

Designers: *William Cousins (obverse) and Jim Peed (reverse)*

Jackie Robinson broke the color barrier in Major League Baseball when he was recruited to play second base for the Brooklyn Dodgers in 1947. He not only integrated American baseball, but he used his notoriety to fight for equal rights for Black people. In 1962, Robinson was inducted into the National Baseball Hall of Fame.

Rosa Parks
1999 Bronze Medal

Designers: *Al Maletsky (obverse) and John Mercanti (reverse)*

Rosa Parks was a civil rights icon whose refusal to give up her seat to a white person and move to the back of the bus fueled the Montgomery Bus Boycott, the fight against Jim Crow segregation and the national Civil Rights Movement. Parks was a life-long activist who fought for justice and against racism and discrimination. Her contributions are also celebrated by the Civil Rights Act of 1964 Commemorative Silver Dollar coin.

Brown v. Board of Education
2004 Bronze Medal

Designers: *Charles L. Vickers (obverse) and Donna Weaver (reverse)*

Brown v. Board of Education of Topeka, Kansas, was a US Supreme Court ruling that overturned *Plessy v. Ferguson* as unconstitutional, as its separate but equal doctrine denied Black students the equal protection under the law and due process of law guaranteed by the 14th Amendment. This was a consolidated ruling of five cases from the states of Kansas, South Carolina, Virginia, Delaware and the District of Columbia that were appealed to the US Supreme Court. These cases were brought by the NAACP Legal Defense and Education Fund and argued in state courts by Thurgood Marshall. The ruling was a unanimous decision written by Chief Justice Earl Warren.

Dr. Dorothy Height
2004 Bronze Medal

Designers: *Donna Weaver (obverse) and John Mercanti (reverse)*

The National Council of Negro Women (NCNW) national headquarters building is named after Dorothy I. Height, who led the NCNW as president for 40 years. In this capacity, Height became one of the most important civil rights leaders in the country. As the only female member of the Council for United Civil Rights leadership, she worked alongside the "Big Six" civil rights leaders and was one of the organizers of the March on Washington.

Little Rock Central High School Desegregation 2007 Silver Dollar

***Designers:** Richard Masters and Charles Vickers (obverse); Don Everhart (reverse)*

In 1957, nine Black students desegregated Little Rock Central High School, under the protection of federal troops ordered by President Dwight D. Eisenhower, marking a significant event in the struggle for civil rights. Dr. Martin Luther King, Jr. attended the graduation ceremony of the first Black student to graduate from Little Rock Central High School, Ernest Green.

Tuskegee Airmen 2007 Bronze Medal

***Designers:** Phebe Hemphill (obverse) and Don Everhart (reverse)*

The Tuskegee Airmen, comprising nearly 1,000 Black aviators trained at Moton Field at the Tuskegee Army Air Field, formed the 332nd Fighter Group and 477th Bombardment Group, which were segregated units of the US Army Air Corps during World War II. Tuskegee Airmen completed approximately 1,500 missions, destroying more than 260 enemy aircraft and numerous enemy installations. The success of the Airmen, particularly as bomber escorts, paved the way in 1948 for President Harry Truman to declare through Executive Order 9981 "that there shall be equality of treatment and opportunity for all persons in the armed services without regard to race, color, religion or national origin." This action led to the desegregation of all branches of the military.

Dr. Martin Luther King, Jr. and Coretta Scott King 2013 Bronze Medal

***Designers:** Don Everhart (obverse) and Donna Weaver (reverse)*

The legislation for this medal states, "Reverend Dr. Martin Luther King, Jr. and his widow Coretta Scott King, as the first family of the Civil Rights Movement, have distinguished records of public service to the American people and the international community… Dr. King preached a doctrine of nonviolent civil disobedience to combat segregation, discrimination and racial injustice… While raising four children, Mrs. King devoted herself to working alongside her husband for nonviolent social change and full civil rights for African Americans."

President Barack Obama 2017 First Term Presidential Bronze Medal

***Designers:** Richard Masters and Phebe Hemphill (obverse); Don Everhart (reverse)*

On his last day in office, President Barack Obama, the first Black President of the United States, was awarded two Presidential bronze medals to represent each term he served. Presidential medals are presented to honor past Presidents, a custom that has been extended by law to each outgoing President. Treasury Secretary Jacob Lew remarked during a presentation ceremony in the Oval Office, "His historic presidency has improved the lives of millions of Americans, and the medals presented today are just one way that his legacy will be honored."

AIG Opening Trade in Services

By Maurice R. Greenberg and Lawrence A. Cunningham

Through the late 1970s, US officials did not believe that services were a particularly important part of the domestic economy. While the US Trade Act of 1974 had referenced international trade as including services, this aspect of trade remained a blind spot. This posed a huge cost to many global companies, such as American International Group (AIG). After all, trade in services offered substantial opportunities for economic growth that were not being harnessed. Maurice "Hank" Greenberg made it his mission, for AIG and the US, to correct this misunderstanding, a decades-long process that ultimately repaid mightily.

For purposes of international trade and US economic growth, rendering services is just as important and worthy of respect as selling goods. In fact, from the US perspective, the economic value of the service sector had been steadily rising and would grow even faster in the next decades. Yet many thought that expanding the scope of international trade agreements was infeasible at the time, due to other priorities being debated on longstanding issues of dispute among US trading partners.

At the time, international trade law still did not recognize services as part of the global trading regime. The General Agreement on Tariffs and Trade (GATT) did not encompass services. Though US policy supported open trade in services, the United States lacked the leverage usually available in trade disputes. It remained to convince world leaders to change these rules to open trade in services too, just as the global community had long preferred trade in goods to be open.

Maurice "Hank" Greenberg, former chairman and CEO of AIG.

Along with many American CEOs, James D. Robinson III of American Express, had grown frustrated over international trade in services in the late 1970s. Countries around the world blocked access to markets for charge cards and other financial products offered by American Express. Discrimination took many forms against different service sectors. While Japan strictly controlled financial firms operated by foreigners, other countries imposed duties on imported computer software that restricted the flow of financial information. Some countries gave subsidized loans to national shipping firms or imposed quotas on foreign movies. Subtler tactics forbade a foreign accounting firm from using its international name. Other tools were blatantly protectionist, like the punitive landing fees that some governments imposed on foreign air carriers.

In 1979, as Robinson became exasperated with failed attempts to access foreign markets, American Express created a team to fight back. But Robinson discovered that no company, acting alone, could meet the challenge. After comparing notes about these problems, Greenberg and Robinson joined forces and organized other companies in their cause, which included Citibank in banking, Pan American World Airways in aviation and Peat Marwick Mitchell in accounting. In 1982, this group became the Coalition of Service Industries (CSI).

The CSI's mission was clear: equal treatment for services in international trade. That meant an even playing field, without discrimination between domestic and foreign companies, concerning establishing a business, accessing markets and offering new products. Throughout its history, the CSI called upon successive US Trade Representatives, all of whom understood the mission as in the national interest and worked avidly in support of it throughout the 1980s and 1990s.

In Washington, the CSI also won the support of many influential members of Congress from both parties and their staffs. Such support enabled the CSI to occupy a unique role on trade policy in Washington, as a member of an advisory committee on trade in services. The coalition used that role to urge global trade representatives to include trade in services on the GATT agenda. A breakthrough came quickly in 1982, when William Brock, the US Trade Representative from 1980 to 1985, persuaded his counterparts in vital countries to add it to the November 1982 GATT ministerial meeting in Geneva. This was the first formal international recognition of the subject as legitimate.

Why was it so hard to bring people worldwide to understand the importance of trade in services? A principal reason was absence of statistics. Governments, including the US government, maintained substantial data on the volume of trade in goods. None, however, kept reliable track of trade in services. No one could verify its importance and few had the curiosity to ask. Among the first ambitions the CSI had was to persuade the US Bureau of Labor Statistics to measure trade in services.

The CSI reached that milestone in 1984, when amendments to the US trade law mandated improved government data collection on trade in services. The figures stunned those outside the service industries. Trade in services, it turned out, was a central piston of the economy: by the 1980s, 70% of the US GNP and jobs were attributed to the service sector; international trade exceeded $1 trillion and one-fourth of that was in services.

In addition to the lack of statistics, the intellectual underpinnings had not been formed. Classical economists, from Adam Smith on, dismissed service enterprises to be of secondary importance. These economists worked in a world when the

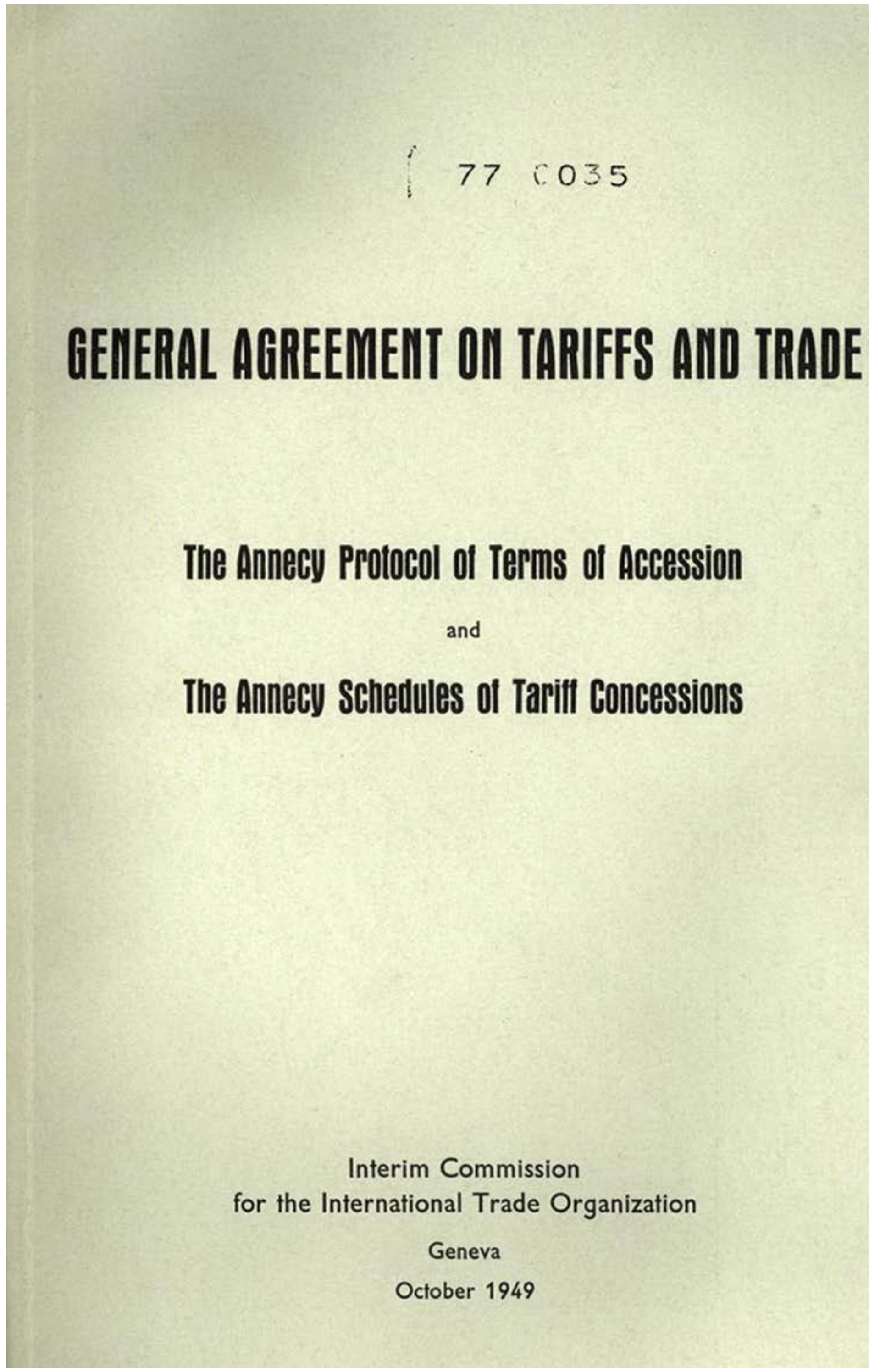
value of services was modest compared to goods and were not traded in the same way. The CSI thus had to be more than a trade association committed to traditional political lobbying. It invested significantly in researching and developing an intellectual framework to think about services in the context of international trade.

Global demand for services was rising rapidly, mandating this rethinking. For the United States and other developed countries, liberalized trade in services would mean more jobs, more foreign trade income and a strengthened global position. For all countries, it would mean enhanced technological achievements and blossoming in the broad field of intellectual property.

Members of the CSI began to participate in conferences on international trade, launching a serious dialogue among policymakers and scholars. The CSI formed in the United States spawned sister CSI organizations abroad. This growth eventually led to the creation of an umbrella organization called the Global Services Coalition. It also propagated many kindred groups interested in promoting open trade generally and attracted the support of older groups, such as the US Chamber of Commerce.

Checking this momentum were a few vocal opponents who resisted the CSI's and AIG's efforts, both in the US and abroad. Developing countries, led by Brazil and India, objected to allowing large US financial services companies to compete in their local markets, fearing those would drive local firms out of business. In response, Greenberg repeatedly emphasized in his annual AIG chairman's letters and other high-visibility platforms that allowing such competition would help the economies of these developing countries as well.

Although the debate remains one of popular conversation, most economists and policy makers have embraced the notion, first argued as long ago as 1817 by David Ricardo, the influential classical economist, that gains from trading exceed losses for both developed and developing countries when countries specialize in what they do best. True, it is not usually propitious to make radical, rapid shifts from a closed to an open economy, when it is difficult for people to make the inevitable transitions that trade shifts require. In the long term, however, trade has proven to be a better route to prosperity than isolationism.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GENERAL AGREEMENT ON TARIFFS AND TRADE

The Annecy Protocol of Terms of Accession

and

The Annecy Schedules of Tariff Concessions

Interim Commission
for the International Trade Organization

Geneva

October 1949

Cover of the "General Agreement on Tariffs and Trades" (GATT), dated October 1949.

Despite the mounting proof of the benefits of open trade, it was still met with opposition at home. Environmentalists opposed trade agreements unless countries agreed to control pollution in particular ways; human rights advocates objected to deals with countries tolerant of forced labor.

By far the biggest obstacle to overcome on the road to open trade in services was nationalistic protectionism. Many countries had laws that limited foreign ownership of insurance businesses. In Malaysia, protectionist laws dated to race riots in 1969 when native Malays, called Bumiputra (meaning "son of the earth") protested

against the longstanding control of their economy by the minority "overseas Chinese" — people of Chinese origin born in Malaysia. Rioters in the streets of Kuala Lumpur demanded reforms. Government responded with a law giving priority to Bumiputra in areas from hiring in the work place to equity ownership of certain kinds of businesses, including foreign insurance companies.

CSI obtained some temporary exemptions but continued to push for a permanent solution. An opportunity arose in the mid-1990s during the World Trade Organization's (WTO) negotiations on a global agreement on trade in financial services, including insurance. Many countries in the WTO agreed to reduce discrimination against foreign companies in service industries, including reducing or ending foreign ownership caps.

Throughout the administration of George H. W. Bush and the first administration of Bill Clinton, international negotiations over the financial services agreement had been tense. The United States refused to ratify several versions because the agreement remained too protectionist. In 1997, however, to seal the WTO's financial services agreement, the United States and the European Union brokered a grand bargain that many other countries supported. In effect, the US was willing to forego its unilateral power to punish unfair trade practices in order to secure fair access of its financial services firms to other markets.

The issue came to a head in the final days before the WTO financial services agreement was to be signed. The United States requested that Malaysia eliminate its foreign ownership restrictions, including those applicable to AIG. Malaysia countered by offering to modify its policy going forward to allow foreign ownership at 51%. But it also proposed that it be permitted to apply, to any company not then in compliance, an even lower percentage cap.

This proposal was a clear attack on AIG, to which it solely applied because of its series of temporary exemptions. The United States, along with European allies, resisted and aggressively negotiated to persuade Malaysia to withdraw the proposal. The argument was simple: international trade agreements were intended to expand trade while this proposal would curtail it by sanctioning a partial expropriation of foreign insurers.

Ambassador Barshefsky, the US Trade Representative, stressed that Malaysia was then the emerging economy among South East Asian countries. Its positions were watched closely and often followed by its neighbors, such as the Philippines and Thailand. If Malaysia could get away with a regressive tactic in a trade liberalization deal, those countries might follow suit. The US could not afford to let that example stand. Nor, of course, could AIG.

Greenberg dispatched AIG's government relations officer, Oakley Johnson, to Geneva, where diplomats, officials and trade representatives from scores of countries were gathered. They expected only to hammer out a few final details, but the Malaysia ownership issue remained a sticking point. Johnson's message raised the stakes: he informed Timothy Geithner, then a deputy Treasury Department official for international trade, that AIG could not support the agreement unless it addressed the Malaysia divestiture rule directly.

Ambassador Barshefsky's staff, along with Geithner and his colleagues, developed a compromise proposal to address what participants named the "AIG issue." They proposed a proviso that any WTO member, including the United States, would be allowed to discriminate against countries that forced the localization or expropriation of a foreign insurance company. To its credit, the European Union threw its weight behind this solution. Soon most major countries supported it too, as more in keeping with the open trade philosophy to which they had committed. For Johnson, this compromise solution was appealing, although it was not the pure renunciation Greenberg had sent him there to get.

Johnson informed the group that he could not give AIG's assent until he had spoken with Greenberg. Earlier that day, a Friday in December, Johnson had called to apprise Greenberg of developments, and let him know that they would need to speak the moment any breakthrough emerged. Greenberg would be aboard AIG's jet later that night and assured Johnson that it was outfitted with a newly-installed telecommunications system so that he could talk on the phone while in the air — a novel technology at the time.

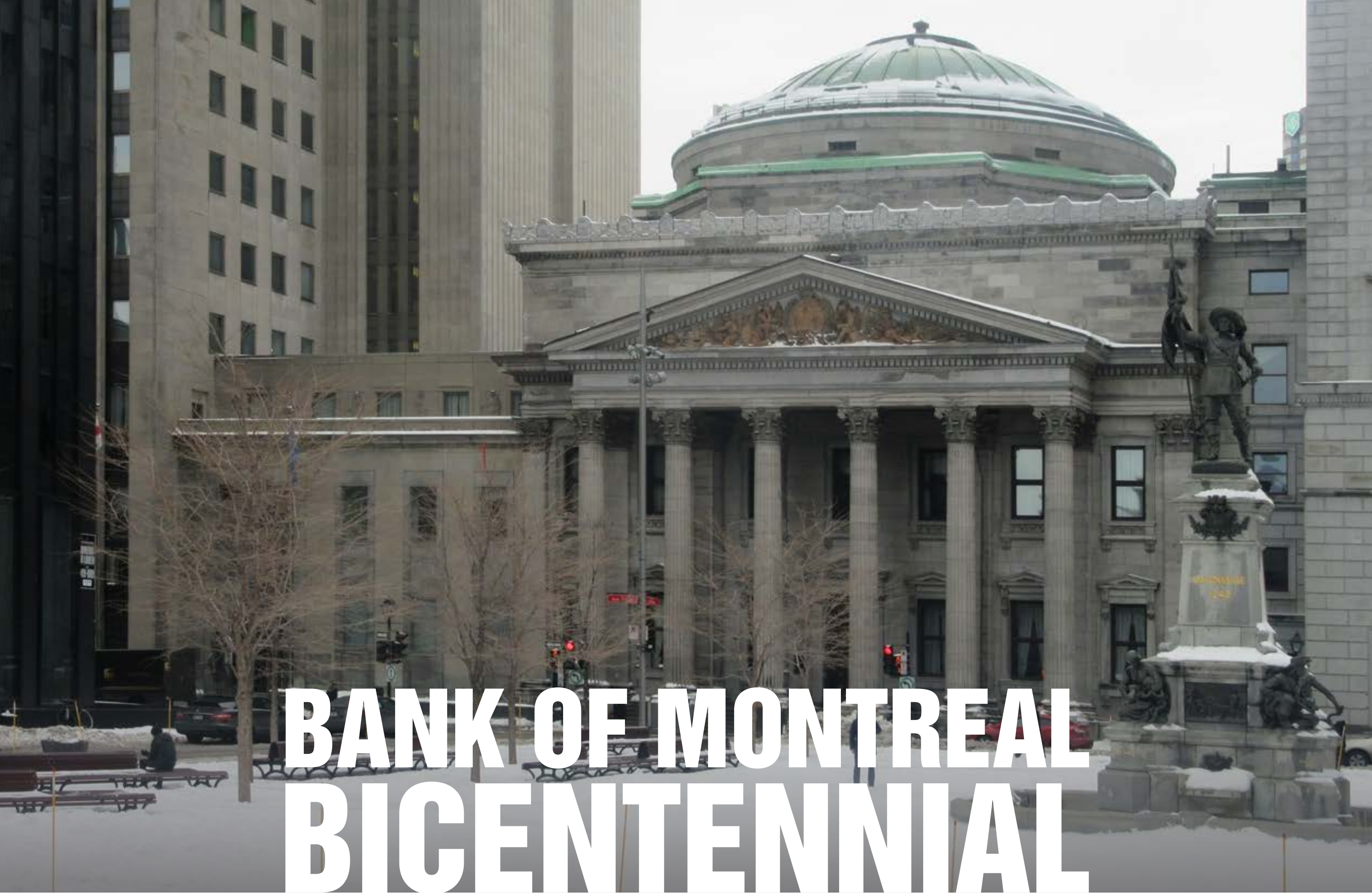
By 11:00 P.M. Geneva time, trade negotiators had all agreed to the US compromise proposal on the AIG issue, and Malaysia finally capitulated. All that remained was securing AIG's support. US delegates were leaning hard on Johnson for an answer. He rang the air phone, but the new system did not work. The international delegation was assembling in the hall. From Washington, Geithner's boss, Lawrence Summers, called Johnson directly, seeking the final go-ahead, noting that everyone was growing impatient. The government was eager to have AIG's support.

Johnson stood firm, insisting that he could not give AIG's support without getting clearance from Greenberg — and that he was trying earnestly to reach him but having technical difficulties. Geithner then arranged with his counterparts for a two-hour extension of the final deadline. Greenberg's assistant, Shaké Nahapetian, suggested that Johnson send a fax to the airplane where it could be read on the pilot's screen in the cockpit. Johnson wrote out an imperfect summary of the situation and faxed it to the plane. Greenberg replied as expected: "I would prefer Malaysia to drop the divestiture rule entirely, but if this compromise proviso is the best that can be done I will not hold up the agreement over it." With that, Johnson threw AIG's support behind the agreement and the ceremonial signing was undertaken at close to 3:00 A.M. local time.

Greenberg resigned himself to further negotiations with the Malaysian government that he calculated would eventually lead to permanent resolution of the issue. Three years later, Greenberg returned to Malaysia to negotiate for another five-year renewal. Under the renewal, AIG maintained its commitment to sustain its investments in the country's infrastructure. In exchange, its historic branch would be unaffected by the foreign ownership laws until 2005.

The end result was imperfect, but the grand bargain held, a triumph for open trade in services. The WTO agreement on trade in services defined new opportunities for the world: open access to markets, increased foreign ownership thresholds, and fair treatment to existing and prospective foreign companies in domestic markets. Today, trade in services is a multi-trillion dollar global enterprise. $

This article was adapted from The AIG Story *(Wiley 2013), by Maurice R. Greenberg and Lawrence A. Cunningham.*



BANK OF MONTREAL BICENTENNIAL

The Oldest Bank in Canada Has Been an International Institution from the Start

By Gregory DL Morris

Canada is thought of as a very old country, the land of First Nations and fur-clad trappers. It is also thought of as a young country, confederated as a nation only in 1867 and then only as an expedient to prevent annexation by the expansive juggernaut to the south. But in terms of financial history, Canada is contemporaneous with the United States.

In some aspects the Canadian banking and financial regulatory system has proven to be superior to that of the United States; Canada had no real estate crisis and no near-meltdown in 2009–10 despite the fact that there is no mandatory separation between banking and brokerage. There are several reasons for the relative stability, but a major one is significantly higher reserve requirements (see "How Canadian Banks Avoided the Recent Financial Crisis," Issue 106, Spring 2013, p. 13).

Canadian bank stocks have long been considered safe investments paying high dividends. That contrasts sharply to the outlook for shares of most US banks. Among those Canadian stalwarts, the first among equals is the Bank of Montreal, which celebrates its bicentennial this year.

BMO ("BEE-moe"), as it is universally known, was formed in 1817 with capital stock worth 250,000 pounds sterling under "articles of association" by nine men who represented a cross section of business and finance in the early 19th century. Five had been born in Scotland, two in the United States, one in England and one was of French extraction. The global entity they founded prospered and later included other notable names: Harris Bank, the white-shoe operation of Chicago; investment firm Nesbitt Burns; and the Milwaukee institution of Marshall & Ilsley.

BMO was an international operation from the start, as clearly illustrated in *A Vision Greater Than Themselves: The Making of the Bank of Montreal 1817–2017*, by Laurence B. Mussio (McGill-Queen's University Press), the bank's lavishly-illustrated official bicentennial book. Less than a year after the charter, a shipment of 130,000 Spanish silver dollars in 65 kegs weighing 100 pounds each was sent to merchants in Boston who needed the hard currency to pay for imports from Asia.

Façade of the Bank of Montreal.

The presence of those American entities lives on in more than their names and legacies. BMO is not a corporate sponsor of the legendary hometown Montreal Canadiens, but rather their rival Chicago Blackhawks and also the Minnesota Wild. In basketball BMO plays the field, sponsoring the Toronto Raptors, the only NBA franchise in Canada, but also the Chicago Bulls and the Milwaukee Bucks.

It is notable that the founding of the first bank in Canada was made by articles of association and not charter. Those British North American colonies were — as had been the American colonies before — directly responsible to London. Their governance and operation was not for their own direct benefit, but for the good of the mercantilist system that supported the British Empire. Prohibitions against indigenous colonial currency were one of the grievances that led to the American Revolution. BMO did receive a formal charter in 1822.

To put BMO's founding into historical context, the Bank of North America was founded in Philadelphia in 1781 and Alexander Hamilton had helped found the Bank of New York in 1784. Those were more than 30 years before BMO, but they were in response to dire circumstances of a newly-independent and deeply-indebted nation. The Bank of North America was formed after most of the fighting was over, but still two years before the treaty that ended the revolution. The Bank of New York was founded the year after the treaty.

The Bank of North America was succeeded by the First Bank of the United States in 1791, but given BMO's extensive cross-border activity from its inception, the Montreal institution could certainly be considered the bank of North America *de facto* if not *de jure*.

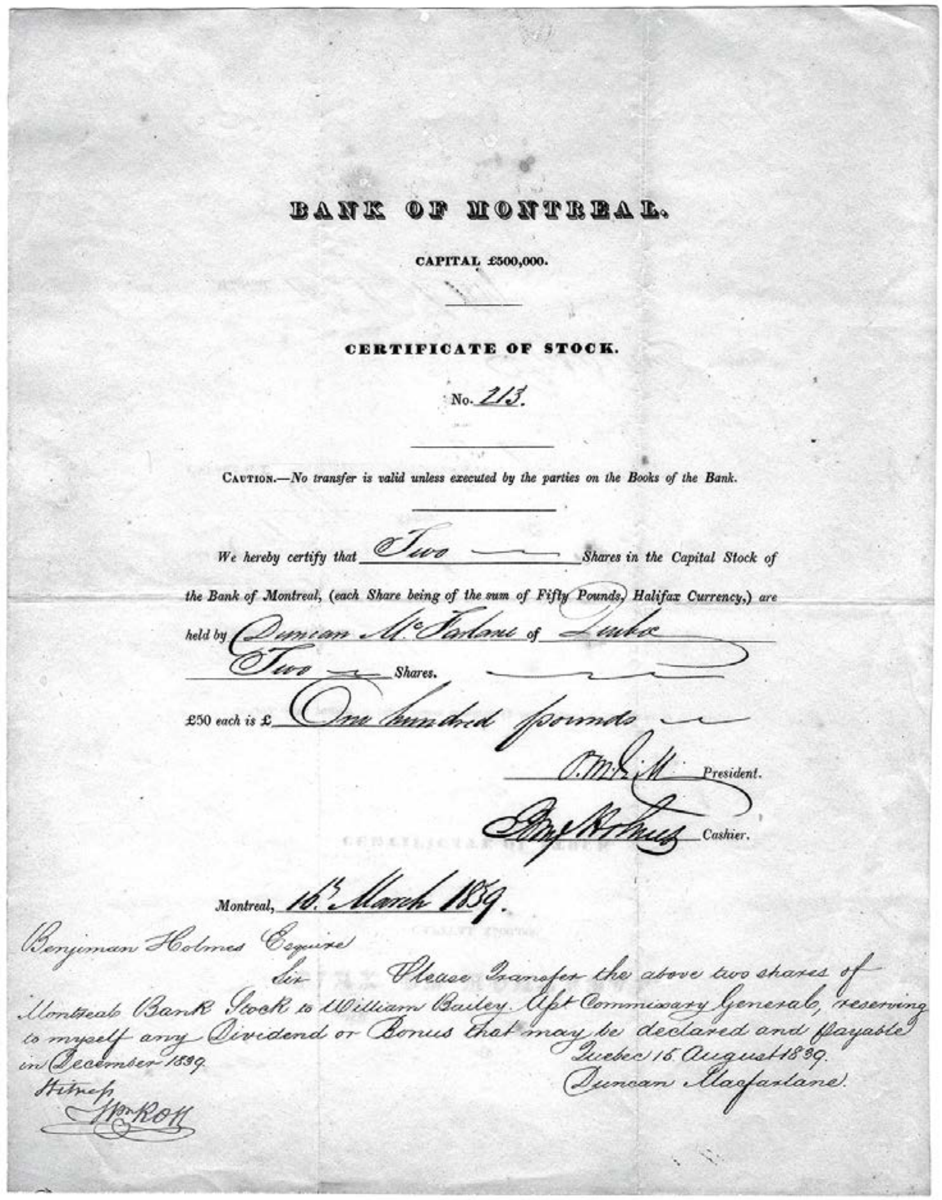
At the time of BMO's founding, Canada was just getting back on its feet as well. The influx of loyalists fleeing the new United States had created an unstable political situation in His Majesty's remaining North American colonies. That was sorted with the Constitutional Act of 1791 that redrew the boundaries of Quebec or Lower Canada (not lesser, just downriver on the St. Lawrence) and created Upper Canada, now the province of Ontario.

In the United States it is called the War of 1812, but in Canada it is called the Anglo-American war. A good bit of the land fighting took place in Canada where Canadians,

Gregory DL Morris

Bank of Montreal

$20 bank note from the Bank of Montreal, dated October 1817, before the bank began business on November 3, 1817. The first notes were printed in Hartford, CT, where the bank then obtained the plates, bank note paper and press required for reproducing the notes in Montreal.



BANK OF MONTREAL.

CAPITAL £500,000.

CERTIFICATE OF STOCK.

No. 213.

CAUTION.—*No transfer is valid unless executed by the parties on the Books of the Bank.*

We hereby certify that Two *Shares in the Capital Stock of the Bank of Montreal, (each Share being of the sum of Fifty Pounds,) Halifax Currency,) are held by* Duncan McFarlane *of* Quebec Two *Shares.*

£50 each is £ One hundred pounds

P. McGill *President.*

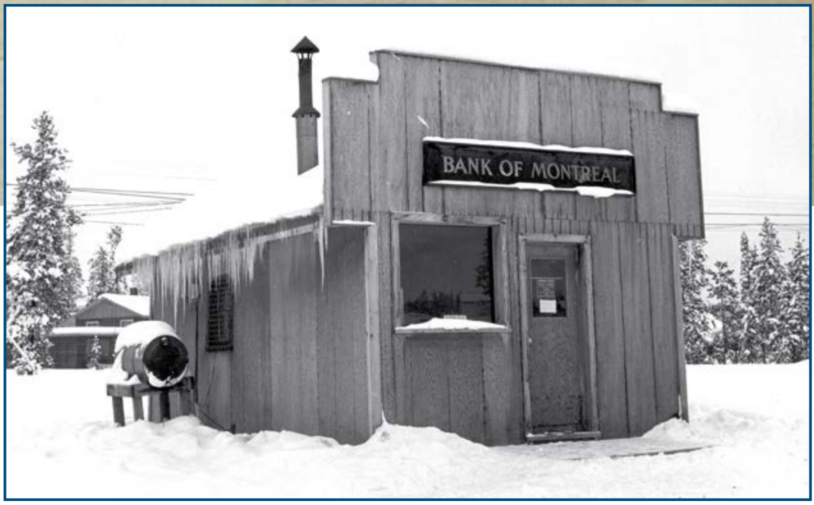
Benj Holmes *Cashier.*

Montreal, 16th March 1839.

Benjamin Holmes Esquire
Sir Please Transfer the above two shares of Montreal Bank Stock to William Bailey Dept Commissary General, reserving to myself any Dividend or Bonus that may be declared and payable in December 1839.
Quebec 16 August 1839.
Duncan Macfarlane
Witness
Wm Roy

Bank of Montreal

Bank of Montreal stock certificates, like the one shown here, became a consequential type of document in the emerging economic and financial life of Canada. This certificate for two shares of stock is dated March 16, 1839. It is signed by Peter McGill, president of the bank, and countersigned by Benjamin Holmes, the bank's cashier.



(Above) The building at 770 North Water Street acts as BMO Harris's Milwaukee headquarters. Marshall & Ilsley (M&I) Bank was expanding its operations and activities in the late 1960s and opened this building in 1968.

(Right) "April 9 — a Bank!" That's how the *Whitehorse Star* reported the arrival of the Bank of Montreal in the small community in southeastern Yukon Territory named for Frank Watson, an American trapper and prospector. The branch was closed in 1978, with the Whitehorse branch of the bank taking over its activities.

upper and lower, fought with the British to stay part of the empire. The war ended late in 1814, and the Napoleonic Wars (of which it was just a part) ended the following year. With peace, Canada and the rest of the empire got back to business. To take its place in that prosperity Canada needed a bank. BMO opened for business on November 3, 1817. Assets were C$150,000.

By its centennial in 1917 BMO assets had reached C$404 million. In April of that year Canadian troops had won a historic victory at Vimy Ridge, and the United States had just entered the war. By 2016 assets had grown to $681.5 billion.

Such figures would have been incredible to the Montréal Nine, as they would also be to the Lords of the Treasury in Whitehall and the Colonial Office who issued the charter in 1822. According to *A Vision Greater than Themselves*, there were 20 articles in the charter, four of which were "devoted to banking crimes: embezzlement, theft, counterfeiting and forgery. The first three were punishable by death 'without benefit of clergy.'"

Printing bank notes not only preceded the charter, it preceded the opening by two months. The trans-border tone for the bank was set from the start, with the bank note order going to Abner Reid, an engraver in Hartford, Connecticut. Currency and capital in hand, BMO survived its first economic downturn in 1825–26. Another institution across town, the Bank of Canada, was not so fortunate. It never recovered from the recession, and by 1831 BMO had taken over its business.

In time BMO would become a highly-acquisitive bank, but early transactions came slowly. An 1823 regulation prohibited the bank from operating in Upper Canada. That colony wanted to develop its own financial resources, an argument that echoed in many western states of the US as they fought branch banking by the big East Coast establishments.

Such regionalism was not as long lived in Canada as it was in the United States. Upper and Lower Canada were joined into the United Province of Canada in 1841. That same year, BMO purchased the assets of Upper Canada's Bank of the People, based in Toronto. Through this period Canadians also got sorted on the question of whether the nation would use dollars in common with the United States or pounds in common with the mother country and her empire. The decision in 1857 was for dollars — a risky move at that time considering the sectional violence already rising in the US as it cascaded into civil war.

The next expansion for Canada was into the Maritimes. The triumph of the Union in the American Civil War and the expansive concept of manifest destiny in the United States made Canadians both east and west profoundly uneasy. The response was confederation in 1867, creating the Dominion of Canada with the addition of the Maritime colonies of New Brunswick and Nova Scotia. The conference for confederation was held in Charlottetown, Prince Edward Island, but that tiny colony did not join because it already had

In 1928, the Bank of Montreal opened this bank in Mayo, Yukon Territory — an inland mining town 250 miles from Whitehorse at the confluence of the Mayo and Stewart Rivers.

a free-trade agreement with the United States. Nothing personal, just business.

Not surprisingly, BMO was involved in the financing of the Canadian Pacific Railway, completed in 1885, just 16 years after the transcontinental railroad was completed in the US. But that was not BMO's first rail venture. The bank helped finance the first railway in Canada, the Champlain & St. Lawrence, which ran 16 miles from La Prairie, on the opposite bank of the St. Lawrence River, to St. Johns, Quebec, at the head of navigation on the Richelieu River.

A modest run to be sure, but when it began service in 1836 it completed the connection from Montreal to New York by way of steamers on Lake Champlain and the Hudson River. It also put Canada on the cutting edge of transportation and technology. The world's first railway, the Stockton & Darlington in England, had begun operations just 11 years earlier. And the first US railroad, the Baltimore & Ohio, started service just six years before the Canadian road.

As the nation grew, so did BMO. As negotiations for confederation advanced, the accounts for the Province of Canada were transferred to BMO late in 1863. Just three years after confederation, BMO opened a permanent office in the City of London. The bank had long had offices in New York.

Communication with Europe became a practical reality when Cyrus Field laid the first transatlantic telegraph cable between Newfoundland and Ireland in 1858. US President James Buchanan was able to exchange greetings with Queen Victoria, but the cable parted after only a few weeks. The end of the American Civil War not only prompted confederation in Canada, but also allowed renewed cable laying. Regular and reliable service was established by 1867. Today BMO operates in 22 countries on five continents.

Canada created an official central bank in 1935, long after most other industrialized nations. That was in part because decisions made by the US Federal Reserve and by the Bank of England had powerful effects on Canadian international business, and also because BMO was prudent and effective as the government's banker. In a bank note footnote, "The right of chartered banks to issue or reissue their own notes expired on 1 January 1945," according to *A Vision Greater than Themselves*.

Postwar prosperity boomed in Canada as in the United States. It was steady on for four decades. Then, over the course of a few years, BMO jumped into a much higher orbit with the acquisition of Chicago's august Harris Bank in 1984. In 1987 BMO added Nesbitt Thomson, one of the largest brokerages in Canada.

Any brokers of any age would do well to match brokers in 1917 who recommended buying the stock of the bank on its centennial. A single share of BMO when issued at the height of the Great War effort that year was worth C$222, or C$3,600 in 2016 dollars, as calculated in *A Vision Greater than Themselves*. Through appreciation, four splits and reinvesting dividends, that single share would now be 52,000 shares worth C$4.4 million.

Somewhere, the Montreal Nine are smiling all the way to the bank. $

Gregory DL Morris is an independent business journalist, principal of Enterprise & Industry Historic Research (www.enterpriseandindustry.com) and an active member of the Museum's editorial board.

Bank of Montreal

The Bank Finds a Forgery

For many years this painting, *Place d'Armes, Montreal* (1848, oil on canvas), in the BMO Art Collection was thought to be by Cornelius David Krieghoff (1815–1872). However, the bank's curators, working with the expert on Krieghoff, Dennis Reid, former chief curator of the Art Gallery of Ontario, confirmed that the BMO painting is a fake.

"There are apparently a number of these copies dating from the artist's own time to the late 19th century, when it didn't seem unusual or wrong to copy a work by a 'famous' artist right down to their signature," said Dawn Cain, curator of the BMO collection. "The [unknown] copyist in question may have been working from a series of prints based on popular works by Krieghoff that were published in the late 1840s, one of which shows the same scene rendered in the painting."

Even though the work is only in the style of Krieghoff, it reflects both the period and the bank: European roots and strong cross-border North American scope. Krieghoff was born in 1815 in Amsterdam, worked and studied in France and Germany, and then came to New York in 1836. He moved to Montreal in 1846, where he both partook in salon society and also lived for a while with the Mohawk First Nation. He lived and worked in Canada, the United States and Germany through his life.

His work is actively collected today and is contemporaneous with Currier & Ives and also the Hudson River School, which are more familiar to many Americans.

THE HECLA MINING COMPANY

125 Years of Persistence and Perspective

By Bart Ward

In 1907, a year most closely associated with a nationwide banking panic, James F. McCarthy was one of a handful of men who ran the mining district known as the Coeur d'Alene in the Silver Valley of Northwest Idaho. McCarthy was in charge of the daily operations of the Hecla Mining Company, a little-known lead mining company. The Panic of 1907 nearly wiped out the company, as did the Great Crash of 1929. Yet it survived long enough to face more financial turmoil in 2008–2009, with President/CEO Phil Baker steering the company through the Great Recession. For Hecla, endurance through those tough times eventually led it to become one of the longest-surviving precious metals mining companies in the United States, and the lone survivor of the pioneer mining companies formed in the Coeur d'Alene District before 1900.

Hecla got its start when James Toner staked a claim on May 5, 1885 on the banks of Canyon Creek near what would become known as the town of Burke, Idaho. Toner did nothing with the claim, and it passed through a few hands until Patsy Clark ended up with 100% of the mine on July 11, 1891. Clark, who had settled in Spokane, had a history of mining in the Comstock mines of Virginia City, and he built a mansion in Spokane that still stands today. The company was capitalized at $500,000 in Idaho on October 14, 1891 by Clark and co-founders John Finch and Amasa Campbell.

The early years of Hecla were punctuated by union scraps, which included beatings and murders. As a result, twice in its history — in July 1892 and May 1899 — the area came under martial law. The unrest resulted in the severing of eastern money and the relocation of mine owners to Spokane. Once these men moved out of the Coeur d'Alene, many of them, including Finch and Campbell, invested in other mining and non-mining companies.

Under the leadership of McCarthy, who had taken over Hecla's daily operations in 1903, the company's stock had more than doubled. That year, Hecla had a net income of $153,263 and paid $60,000 in dividends; they also bought the Milwaukee mill in the town of Gem for $50,000. The next year, the company netted $244,779, and dividends more than doubled. In 1907, Hecla paid $520,000 in dividends.

The Panic of 1907 began with the failure of the Knickerbocker Trust Company in New York City. According to Robert F. Bruner and Sean D. Carr in their book, *The Panic of 1907: Lessons Learned from the Market's Perfect Storm:*

> Lines in front of banks in New York and elsewhere extended for blocks… In the coming days, money would become scarce, banks would fail and the stock market would plummet… In short, the volatile and falling asset prices in the first three quarters of '07 manifested deeper problems in the American economy — the dark clouds of the perfect storm were gathering on the near horizon.

This included the collapse of lead prices, Hecla's main source of revenue. The company closed its doors on January 1, 1908, and remained shut for five months. Its income would not return to its 1907 level for another eight years. On September 5, 1908, Hecla's president and largest shareholder, James Smith, died. He left his shares to his new wife, Sarah, who was an unknown entity to the company's management. She had her ups and downs with Hecla's board until she was replaced in 1922.

Over the next 15 years, Hecla — which started out using steam power and mule teams — was moving to electric power and mechanized equipment. This completely changed the district, which saw increased production and enhanced safety. In addition, the company was listed on the New York Curb Exchange, predecessor of the American Stock Exchange, on September 23, 1915.

In mid-1917, Hecla begin using Hill & Sullivan as its smelter in the nearby town of Kellogg, which reduced it shipping costs. Lead production was in full swing,

University of idaho

Hecla's timber-framed surface buildings at Burke, Idaho, before they were destroyed by fire in 1923.

Northwest Museum of Arts & Culture

The Hecla Mining Company traces its history to the date this stock certificate was issued: October 14, 1891.

as World War I created an increase in demand for the metal. Things were good in the Coeur d'Alene, and the company's dividends were up.

Then, in July 1923, a fire swept through the town of Burke, Idaho, destroying the Hecla mine buildings and laying waste to the town's business district. Six months later, the company was back in business with a new, "fireproof" plant that was double the size of the old plant. According to John Fahey in *Hecla: A Century of Western Mining*, after lengthy court battles, Hecla worked with its sister company, Bunker Hill, to carve and timber "an eight-by-nine foot passage, wide enough for electric trains with spurs for passing" to the Star mine. Upon its completion 32 months later, the 8,203-foot crosscut became the longest tunnel in the world. It cost the company $531,887.

The 1930s wreaked havoc on — and created opportunity for — Hecla and the rest of the Coeur d'Alene District. During the Great Depression, operating profits in the district crashed to 10% of what they had been. However, with McCarthy still at the helm, Hecla entered into a venture with the Polaris mine, enabling its entry into the Idaho "Silver Belt."

By 1934, the Newmont Mining Corporation got involved in the Silver Belt in a venture with Hecla and the Polaris mine. Although Newmont and Hecla's relationship had begun in 1925 with a failed venture in the Minnie More mine, Hecla's directors welcomed Newmont as a working partner — a collaboration that lasted nearly 50 years.

In 1940, McCarthy died and Eugene Hanley took over running the company. During World War II, mining did not boom as it did during World War I, largely because no mining company could hire enough men to work the mines during the war. In 1944, the original Hecla mine south of Burke bottomed out at 3,600 feet, after producing nine million tons of ore in the span of 40 years. The following year, Hecla-Polaris crews began driving the Silver Summit shaft at what was a record speed of 160 feet per month. In just over 11 months, they reached a depth of 1,596 feet. In 1946, Hecla went on a buying spree, acquiring 131 claims with options on other mines.

Hanley retired in 1951, and accountant Les Randall assumed the helm of Hecla. By then, many mining interests in the district, including Hecla, had invested in other mining companies and diversified into other businesses. In one such case, Hecla invested approximately $490,000 to explore the old Coeur d' Alene and Rainbow mines in the Silver Belt, but the venture was a bust. Its forays into other industries had mixed results, taking resources away from its primary mining business.

Randall's main focus became finding a new mine, and in 1954 Hecla acquired

an interest in the Radon and Hot Rock uranium deposits in Utah. In nine years, the two mines yielded a net income of $9.3 million.

Then, on December 12, 1954, Hecla made one of the smartest moves in its history by buying 184,000 shares in the Lucky Friday Silver-Lead Mines Company. Shortly thereafter, the company took on another 644,000 shares to control the largest interest in Lucky Friday. This was a major turning point for Hecla.

The Lucky Friday — a deep underground silver, lead and zinc mine — began in 1942 and is still producing today. With recent improvements, it is expected to have another 33 years of mine life. To date, it has produced over 160 million ounces of silver.

By 1964, Hecla's board included Marcus Banghart, vice president of Newmont; John Grunow, president of Newmont's cement company; and others who were experienced in both mining and finance. After some battles with investors, Randall and the board moved to have Hecla listed on the New York Stock Exchange (NYSE), after nearly 50 years on the American Stock Exchange. On December 21, 1964, NYSE specialist firm H.L. Goldberg & Company opened Hecla's stock under the ticker symbol "HL."

Eastern Washington State Historical Society

Three miners with hand tools underground at the original Hecla mine in Burke, Idaho, which yielded more than nine million tons of ore before closing in 1944.

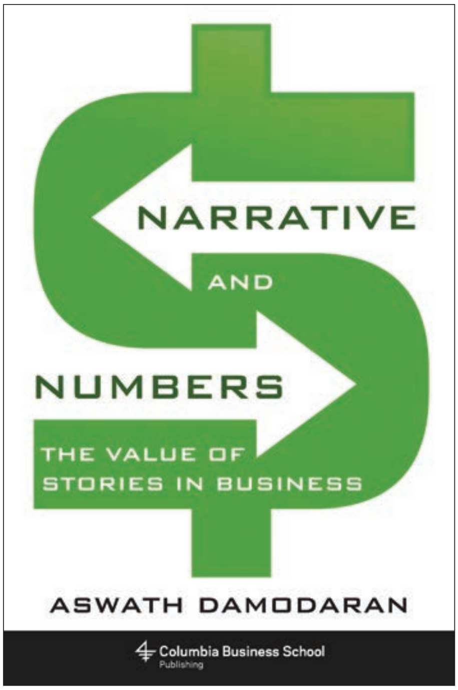
For the next decade, Hecla worked Lucky Friday, purchased the Morning mine and entered into a costly agreement to develop the Lake Shore copper mine in Arizona. By 1977, that mine was closed, at a cost of $96 million.

In 1979, Nelson and Herbert Hunt tried to corner the silver market, and Hecla's stock ran from $5.25 to a high of $53.50 within 12 months. In 1981, the company merged with Day Mines, opening gold mining to Hecla, and the following year the company shut down the Star mine, the deepest mine in North America at a depth of 8,100 feet.

By 1984, Lucky Friday silver shaft was 6,200 feet deep, concrete lined and hoisting ore at 2,250 feet per minute. Also that year, then president of Hecla, Bill Griffith, moved the company's headquarters from Wallace to Coeur d' Alene, Idaho. Then, in 1987, the company made another strategic decision that would have lasting benefits. It purchased a large interest in the Greens Creek mine, a large silver, gold, zinc and lead mine near Juneau, Alaska.

Business was good for Hecla around the turn of the 21st century, and in 2002 it was the top performer on the NYSE. The following year, Phillips "Phil" Baker was named president and CEO, and in 2006 the company reported its highest earnings and lowest cost structure.

» *continued on page 39*



Narrative and Numbers: The Value of Stories in Business

By Aswath Damodaran
Columbia University Press, 2017
270 pages with notes
$29.95

Businesses, whatever their structure, are legal fictions, developed over time to allow enterprises to scale up, attract capital and employees, and lower risk. And, as in all fiction, there are births, growing pains, setbacks, marriages, offspring, old age and even death.

What sets business stories apart from popular fiction is the torrent of numbers generated at every stage of development. Numbers are used to measure success, size, scale, competitiveness, investment attractiveness, risk and other factors. Woe be the modern CEO or CFO who cannot marshal an army of numbers to prove how a missed quarter was actually a good thing rather than a stumble.

There is a tension between the "story" of an enterprise and the numbers that align next to it. Which is more important? And knowing that both have an impact, how can we best weigh them to get to the heart of the value and price of any business? In *Narrative and Numbers: The Value of Stories in Business,* Aswath Damodaran, a finance professor at NYU, has the answer—or more precisely an answer—to navigating between Scylla and Charybdis, between the emotion of business stories and the hard data. Whether you are pitching for investment in your food delivery start-up or you're the CEO of a decades-old industrial concern, this book will help frame your conversations.

Damodaran starts off by reassuring us that although there will be math (Excel jockeys relax! Spreadsheets dead ahead!), there will also be plenty of stories. This is a rare business valuation book that includes discussion of Aristotle, Gustav Freytag and Joseph Campbell's works on heroes.

The fact is, stories excite us, firing up our imagination. Think Ferrari, Apple, Under Amour. They are a crucial part of embracing and celebrating human endeavor. The key to good business storytelling is to truly understand what a business does and wants to do, and submit that vision to critical qualitative and quantitative analysis. Is Uber a ride-sharing business or is it a global transportation and networking company?

Lest our imagination and emotion lead us to investment ruin, the author suggests next how stories can be made even more compelling if grounded in solid numerical backing. Numbers alone, of course, are of no comfort. They can be manipulated or interpreted in so many ways that give a false impression of control, or distort the health or sickness of any enterprise. Numbers must be collected, analyzed and presented in a structured fashion to avoid bias and distraction. Tools and case studies are offered to drive this point home.

Having set a framework for seeing stories and numbers in their proper place, Damodaran suggests a method of building narratives solidly girded by numerical evidence. Business stories need to be subjected to possible, plausible and probable tests. The case studies begin in earnest: Amazon, Alibaba, Uber and others are put through their paces.

Over the next several chapters, Damodaran moves the reader back and forth between evolving narratives and the numbers. He is a big fan of DCF (discounted cash flow) as a lodestone in fixing on value, which is crucial to comparing how public markets might price or misprice a given enterprise. He "de-constructs" a business story, as a P&L is put through a line-by-line narrative inquiry.

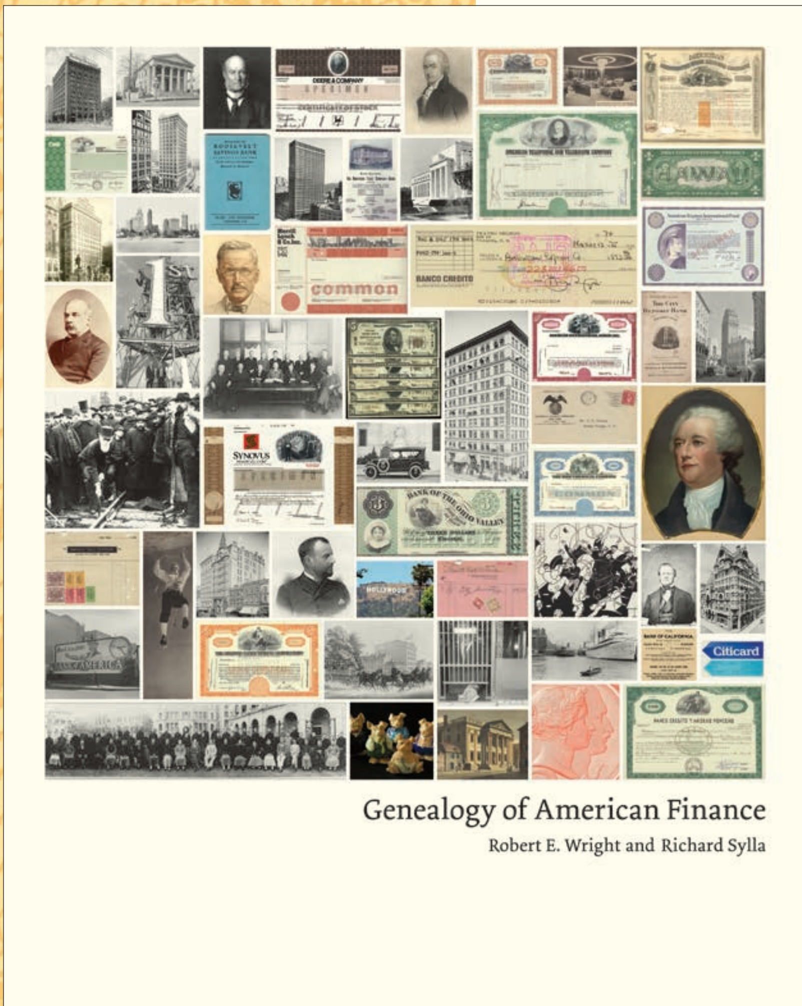
Central to the professor's approach is continually subjecting both the narrative and numbers to "feedback loops." How has the narrative changed either internally or via external factors? Do the numbers reflect the impact of altered macro and micro economic circumstances? Variables outside the economic sphere are discussed including news flow, regulatory pressures and managerial vigor and skill. The story is never static, and those who let emotion get in the way of vigorous testing and re-testing are most susceptible to mistakes. Valeant and Vale are cited here.

The storytelling methodology suggested in *Narrative and Numbers* isn't foolproof. The author asserts his humility, admitting to having made some errors in analyses along the way, some of which cost him real money. I am glad when academics have real-world skin in the game—it makes the story more believable.

There is only so much time in a single book, and not all scenarios can be subjected to his analysis. Although there is a chart-heavy discussion of business life cycles, I wish there was more time and counsel for corporate storytelling in middle-age, when companies have to shift their narrative and write a new vision for what they are creating. Maybe that comes next.

This is not a financial history book in the strictest sense. Much more in the here and now. But the next time I read about some fantastic business love story (Theranos) or shake my head as the love story sours (Theranos), I will keep this excellent book close at hand. $

James P. Prout is a lawyer and business consultant. He can be reached at jpprout@gmail.com.



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Genealogy of American Finance

By Robert E. Wright
and Richard Sylla

Foreword by
Charles M. Royce

"*Genealogy of American Finance* is a treasure trove of information on American banking and its history, in an unusual — and unusually useful — format."

— *John Steele Gordon, author of* Empire of Wealth

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MU$EUM OF AMERICAN FINANCE

Columbia Business School Publishing

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continued from page 11

who felt that the Mercantile Agency was spying on them in what they described as a "system of espionage."

The Mercantile Agency grew slowly because of poor economic conditions, and it never really caught on in the South until after Lewis Tappan retired from the firm in 1849. His two successors, Benjamin Douglas and Robert Graham Dun (who renamed the company after himself in 1859), were able to expand the business into the South because of their ambivalence towards abolition. This allowed the company to offer a truly nationwide service and to dominate the field of credit ratings for years as the company continued to improve and expand its credit reporting abilities.

In 1933, R.G. Dun & Co. merged with its biggest competitor, The Bradstreet Companies, to form Dun & Bradstreet: a company which today claims to have "compiled the most comprehensive and accurate repository of business data on the planet."

The task Lewis Tappan set out to achieve in 1841 eventually succeeded beyond his wildest dreams, providing much-needed credit ratings and more for businesses worldwide. $

Brian Grinder is a professor at Eastern Washington University and a member of Financial History*'s editorial board. Dr. Dan Cooper is the president of Active Learning Technologies.*

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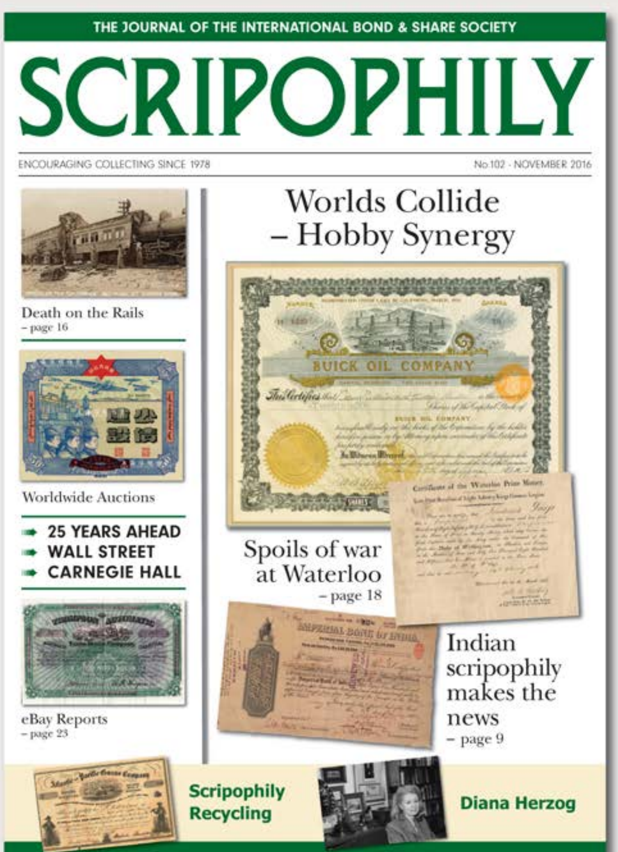

Hecla Mining Company

continued from page 35

Idaho State Historical Society

Idaho Governor H.C. Baldridge (center) visiting the Hecla mine in 1927. Hecla President James F. McCarthy is at far left.

Tough times returned when the recession hit in 2008–2009. In that period, Hecla acquired the remaining interest in Greens Creek, straining its finances at a time when bank lending was tight. However, with 100% ownership of Greens Creek, the company saw its highest annual revenue and operating cash flow in 2010. In addition, it reported the highest level of silver reserves and resources in the company's history. Hecla then turned to acquisition mode once again, completing its purchase of Aurizon Mines Ltd. in 2013 and acquiring the Revett Mining Company in 2015.

With Baker at the helm, Lucky Friday underwent a massive upgrade in 2016, expanding the mine two-fold. "We actually knew the ore body continued, but we didn't know how rich it was, so we drilled and determined this is a very, very high grade ore body and it can support the costs [$250 million]," Baker said.

That same year, Hecla received the mining industry's top safety certification from the National Mining Association. After 125 years in business, Baker said Hecla is, "the last of those original, gutsy Silver Valley mining companies still standing." $

Bart Ward is CEO of the Investment Advisory firm of Ward & Company, Ltd. Since 1993 he has written the weekly Wall Street history and market-oriented column, "The Corner." He has his degree in history from UCLA.

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HOW MUCH DO YOU KNOW ABOUT FINANCIAL HISTORY?

TRIVIA QUIZ

By Elisa Saska

1. Who will be the first Black person and first woman to appear on the front of US paper money, beginning in 2020?

2. What occasion did financial "tombstones," or "deal toys," mark?

3. What was the median household income for the United States in 2015?

4. Which bank is the world's oldest in continuous operation from its founding through today?

5. When did Facebook hold its initial public offering?

6. Which financier helped the United States avoid a more severe financial crisis in 1907?

7. Who authorizes commemorative coins in the United States, and who produces them?

8. Which important monument did Victor Lustig pretend he was able to sell for scrap metal, on behalf of its city, in one of the most famous financial frauds in history?

9. When Nasdaq was founded, in 1971, what did the acronym stand for?

10. Which allegorical feminine shape will be featured as a Black woman on a commemorative coin in April 2017?

1. Harriet Tubman **2.** Initial public offerings (IPOs) **3.** $55,775 **4.** Banca Monte dei Paschi di Siena in Italy **5.** May 18, 2012 **6.** J.P. Morgan, who pledged his own money and persuaded other New York bankers to do the same **7.** Commemorative coins are authorized by the US Congress through legislation that is signed by the US President. They are produced by the US Mint. **8.** The Eiffel Tower, in 1925 **9.** National Association of Securities Dealers Automated Quotations **10.** Lady Liberty

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For information, please contact Director of Development Jeanne Driscoll at 212-908-4694 or jdriscoll@moaf.org

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